



**MILLER COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2001**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2002-122
December 31, 2002
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

December 2002

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Miller, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and it does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Miller County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- Budgets prepared by the County Clerk contained errors, which caused various funds to show incorrect totals, or prevented the detail in the budget from agreeing to the total presented. In addition, some budgeted and actual amounts in the budget documents were not properly classified by type of receipt or disbursement. Also, formal budgets were not prepared for some county funds and disbursements were made in excess of approved budgets for various funds.
- A state law, Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996 due to the fact that their terms were increased from two years to four. Based on this law, in 1999 Miller County's Associate County Commissioners' salaries were each increased approximately \$7,390 yearly.

On May 15, 2001, the Missouri Supreme Court handed down an opinion that holds that all raises given pursuant to this statute section are unconstitutional. Based on the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling approximately \$14,780 for the two years ended December 31, 2000, should be repaid. In addition, in light of the ruling, any other raises given to other officials within their term of office should be re-evaluated for propriety.

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- Numerous concerns were noted with the county's payroll procedures. Time sheets were not always turned in to the County Commission in a timely manner, some time sheets did not contain a supervisor's signature, and time sheets contained errors in the leave balance calculations. It does not appear the county is following procedures as stated in the county's personnel policy when determining overtime/compensatory time. In addition, several employees had large compensatory balances and one employee had a negative compensatory time balance. Also, some employees were allowed to carry over more vacation leave than allowed by the county's personnel policy without any documentation of the reasons.
- Several weaknesses were noted with the Miller County Health Center's records and procedures. Receipts, disbursements, and year-end cash balances reported on the Health Center's annual budget did not agree to the Health Center's accounting records. Monies received are not deposited timely and intact, and are not always recorded on receipt slips immediately upon receipt. Checks are not restrictively endorsed immediately upon receipt. In addition, amounts expended on Comprehensive Family Planning services were not adequately monitored.
- Several weaknesses were noted in the Prosecuting Attorney's office. Prenumbered receipt slips are not issued for all monies received, receipts are not deposited or remitted timely, checks are not restrictively endorsed immediately upon receipt, and a log is not maintained to account for all bad check complaints filed. The monthly reconciliation between the official bank account and the records of restitution received but not yet distributed does not indicate accurate records of outstanding checks or restitution held in the account.
- The current Sheriff has made some changes that improved the controls, procedures, and records of the Sheriff's office. However, weaknesses were still noted regarding the segregation of duties, the disbursing of accountable fees, the handling of petty cash and K-9 funds, the reconciliation of inmate account balances, and the control of bond forms and bond receipts.

The audit also included some matters related to published financial statements, general fixed assets, and the County Clerk's account book.

All reports are available on our website: www.auditor.state.mo.us

MILLER COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

To the County Commission
and
Officeholders of Miller County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Miller County, Missouri, as of and for the years ended December 31, 2001 and 2000, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Miller County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Miller County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Miller County, Missouri, and comparisons of such information with the corresponding

budgeted information for various funds of the county as of and for the years ended December 31, 2001 and 2000, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 29, 2002, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Miller County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

July 29, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Gayle A. Garrison
Audit Staff:	Rosemarie Edwards
	Anissa Falconer
	Mary Johnson
	Mapwesera Munlo



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Miller County, Missouri

We have audited the special-purpose financial statements of various funds of Miller County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated July 29, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Miller County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as finding number 01-1. We also noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Miller County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the

special-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings as finding number 01-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above, finding number 01-1, to be a material weakness. We also noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of Miller County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

July 29, 2002 (fieldwork completion date)

Financial Statements

Exhibit A-1

MILLER COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 520,880	2,342,426	1,942,905	920,401
Special Road and Bridge - Road District #1	261,835	1,088,321	1,319,315	30,841
Assessment	72,129	305,497	354,352	23,274
Law Enforcement Training	7,483	5,142	7,257	5,368
Prosecuting Attorney Training	718	1,127	1,396	449
Prosecuting Attorney Bad Check Fee	5,555	28,799	31,580	2,774
911	60,052	457,093	491,994	25,151
Capital Improvement Tax	419,506	1,676,562	1,777,192	318,876
Senior Citizens Service	61,420	134,143	147,877	47,686
Sheriff's Discretionary	18,594	47,671	46,752	19,513
Prosecuting Attorney Delinquent Sales Tax	4,830	215	0	5,045
Shelter for Victims of Domestic Violence	3,034	1,515	0	4,549
House Bill 786 (Recorder's User Fee)	35,786	26,700	3,921	58,565
Criminal Forfeiture	242	81	0	323
Road District #1 Marina Tax	33,217	15,723	5,960	42,980
Circuit Clerk Interest	28,157	3,427	31	31,553
Associate Division Interest	1,596	856	1,700	752
Drug Awareness and Resistance Education	1,784	6,473	7,518	739
W-12 Construction Maintenance	69,868	26,870	22,811	73,927
Tax Increment Financing - Economic Activity Taxes	47,311	12,323	222	59,412
Tax Increment Financing - Special Account for Developer	7	3,533	3,533	7
Tax Increment Financing - Administrative	679	26	43	662
Tax Increment Financing - Special Allocation	39,176	383,914	292,797	130,293
1998 FEMA Flood Money	0	45,005	45,005	0
Associate Court Services	8,295	2,738	9,065	1,968
Health Center	31,287	615,067	466,685	179,669
W-15C Neighborhood Improvement District	50,617	14,669	14,012	51,274
Bagnell Marina Tax	148,424	50,156	30,970	167,610
Kaiser Marina Tax	2,294	1,858	4,077	75
Local Emergency Preparedness	2,600	4,447	4,087	2,960
Detention Center Commissary	4,163	5,805	0	9,968
POST Commission	3,284	2,348	0	5,632
Law Library	15,260	11,055	10,270	16,045
Family Access Motion	296	9	0	305
Juvenile Assessment Fee	475	433	0	908
K-9	14	319	80	253
Election Services	0	3,421	995	2,426
Recorder's Technology	0	4,152	0	4,152
Capital Improvement Inventory Courthouse	0	107,605	0	107,605
Total	\$ 1,960,868	7,437,524	7,044,402	2,353,990

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

MILLER COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2000

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 467,776	2,286,231	2,233,127	520,880
Special Road and Bridge - Road District #1	316,027	1,131,554	1,185,746	261,835
Assessment	59,233	215,200	202,304	72,129
Law Enforcement Training	6,169	8,458	7,144	7,483
Prosecuting Attorney Training	606	1,232	1,120	718
Prosecuting Attorney Bad Check Fee	15,026	27,696	37,167	5,555
911	13,798	502,950	456,696	60,052
Capital Improvement Tax	333,152	1,737,973	1,651,619	419,506
Senior Citizens Service	39,864	132,623	111,067	61,420
Sheriff's Discretionary	15,178	40,647	37,231	18,594
Prosecuting Attorney Delinquent Sales Tax	1,039	3,791	0	4,830
Shelter for Victims of Domestic Violence	38,835	4,864	40,665	3,034
House Bill 786 (Recorder's User Fee)	24,255	14,431	2,900	35,786
Criminal Forfeiture	226	16	0	242
Road District #1 Marina Tax	28,617	19,293	14,693	33,217
Circuit Clerk Interest	24,031	4,358	232	28,157
Associate Division Interest	371	1,225	0	1,596
Drug Awareness and Resistance Education	1,410	1,495	1,121	1,784
W-12 Construction Maintenance	65,840	27,082	23,054	69,868
Tax Increment Financing - Economic Activity Taxes	33,537	13,966	192	47,311
Tax Increment Financing - Special Account for Developer	1,146	26	1,165	7
Tax Increment Financing - Administrative	640	39	0	679
Tax Increment Financing - Special Allocation	123,183	59,366	143,373	39,176
1998 FEMA Flood Money	73,024	0	73,024	0
Associate Court Services	6,697	3,765	2,167	8,295
Health Center	0	31,287	0	31,287
W-15C Neighborhood Improvement District	62,509	3,568	15,460	50,617
Bagnell Marina Tax	104,146	63,015	18,737	148,424
Kaiser Marina Tax	3,572	2,393	3,671	2,294
Local Emergency Preparedness	0	2,600	0	2,600
Detention Center Commissary	0	4,163	0	4,163
POST Commission	1,018	2,266	0	3,284
Law Library	12,127	16,907	13,774	15,260
Training and Equipment	2,831	1,649	4,480	0
Family Access Motion	274	22	0	296
Juvenile Assessment Fee	250	225	0	475
K-9	0	20	6	14
Total	\$ 1,876,407	6,366,396	6,281,935	1,960,868

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TOTALS - VARIOUS FUNDS</u>						
RECEIPTS	\$ 7,205,167	7,310,530	105,363	6,103,643	6,238,281	134,638
DISBURSEMENTS	7,232,922	7,033,057	199,865	6,255,329	6,225,807	29,522
RECEIPTS OVER (UNDER) DISBURSEMENTS	(27,755)	277,473	305,228	(151,686)	12,474	164,160
CASH, JANUARY 1	1,885,379	1,944,823	59,444	1,664,613	1,689,680	25,067
CASH, DECEMBER 31	1,857,624	2,222,296	364,672	1,512,927	1,702,154	189,227
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	139,379	143,844	4,465	132,370	158,011	25,641
Sales taxes	1,070,000	1,159,384	89,384	980,000	1,068,082	88,082
Intergovernmental	122,985	320,580	197,595	462,421	359,978	(102,443)
Charges for services	427,400	502,965	75,565	439,700	508,061	68,361
Interest	40,355	42,521	2,166	26,025	42,665	16,640
Other	138,300	167,807	29,507	126,000	144,522	18,522
Transfers in	0	5,325	5,325	0	4,912	4,912
Total Receipts	1,938,419	2,342,426	404,007	2,166,516	2,286,231	119,715
DISBURSEMENTS						
County Commission	112,320	108,272	4,048	107,770	107,564	206
County Clerk	83,950	81,186	2,764	80,400	83,400	(3,000)
Elections	89,150	82,110	7,040	201,109	181,545	19,564
Buildings and grounds	104,750	63,383	41,367	161,000	100,430	60,570
Employee fringe benefits	280,066	276,361	3,705	282,000	247,470	34,530
County Treasurer	44,127	41,317	2,810	43,495	42,179	1,316
County Collector	98,000	99,323	(1,323)	92,180	93,455	(1,275)
Ex Officio Recorder of Deeds	48,457	47,878	579	45,075	45,833	(758)
Circuit Clerk	10,815	9,759	1,056	12,225	8,902	3,323
Associate Circuit Court	31,700	16,007	15,693	31,700	25,776	5,924
Court administration	13,336	10,249	3,087	15,570	10,355	5,215
Public Administrator	29,200	30,679	(1,479)	15,350	18,743	(3,393)
Sheriff	428,406	498,710	(70,304)	370,742	431,452	(60,710)
Prosecuting Attorney	159,940	170,831	(10,891)	173,000	164,093	8,907
Juvenile Officer	67,955	63,557	4,398	70,153	52,709	17,444
County Coroner	26,225	24,782	1,443	18,000	23,701	(5,701)
Public health and welfare services	0	12	(12)	265,175	302,817	(37,642)
Other	152,000	122,973	29,027	93,950	146,677	(52,727)
Transfers out	99,000	195,516	(96,516)	166,989	146,026	20,963
Emergency Fund	58,153	0	58,153	64,995	0	64,995
Total Disbursements	1,937,550	1,942,905	(5,355)	2,310,878	2,233,127	77,751
RECEIPTS OVER (UNDER) DISBURSEMENTS	869	399,521	398,652	(144,362)	53,104	197,466
CASH, JANUARY 1	520,880	520,880	0	466,725	467,776	1,051
CASH, DECEMBER 31	521,749	920,401	398,652	322,363	520,880	198,517

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE - ROAD DISTRICT #1 FUND</u>						
RECEIPTS						
Property taxes	236,145	256,496	20,351	227,317	245,758	18,441
Intergovernmental	1,175,750	745,412	(430,338)	1,008,048	722,824	(285,224)
Charges for services	8,000	0	(8,000)	0	0	0
Interest	30,000	11,783	(18,217)	36,890	27,140	(9,750)
Other	14,250	24,630	10,380	350	62,808	62,458
Transfers in	25,000	50,000	25,000	0	73,024	73,024
Total Receipts	1,489,145	1,088,321	(400,824)	1,272,605	1,131,554	(141,051)
DISBURSEMENTS						
Salaries	480,000	471,119	8,881	460,000	418,687	41,313
Employee fringe benefits	167,805	183,571	(15,766)	141,210	117,668	23,542
Supplies	150,000	173,385	(23,385)	97,000	143,219	(46,219)
Road and bridge materials	5,000	22,500	(17,500)	6,000	12,798	(6,798)
Equipment repairs	40,000	91,508	(51,508)	30,000	55,893	(25,893)
Equipment purchases	290,000	287,800	2,200	265,000	266,815	(1,815)
Construction, repair, and maintenance	300,000	72,562	227,438	300,000	156,223	143,777
Other	56,050	16,870	39,180	34,000	14,443	19,557
Total Disbursements	1,488,855	1,319,315	169,540	1,333,210	1,185,746	147,464
RECEIPTS OVER (UNDER) DISBURSEMENTS	290	(230,994)	(231,284)	(60,605)	(54,192)	6,413
CASH, JANUARY 1	261,835	261,835	0	316,027	316,027	0
CASH, DECEMBER 31	262,125	30,841	(231,284)	255,422	261,835	6,413
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	294,965	261,476	(33,489)	280,256	207,492	(72,764)
Interest	7,000	3,856	(3,144)	4,800	7,231	2,431
Other	250	165	(85)	0	477	477
Transfers in	0	40,000	40,000	60,000	0	(60,000)
Total Receipts	302,215	305,497	3,282	345,056	215,200	(129,856)
DISBURSEMENTS						
Assessor	371,430	354,352	17,078	346,712	202,304	144,408
Total Disbursements	371,430	354,352	17,078	346,712	202,304	144,408
RECEIPTS OVER (UNDER) DISBURSEMENTS	(69,215)	(48,855)	20,360	(1,656)	12,896	14,552
CASH, JANUARY 1	72,129	72,129	0	59,233	59,233	0
CASH, DECEMBER 31	2,914	23,274	20,360	57,577	72,129	14,552

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	8,300	4,815	(3,485)	4,192	7,985	3,793
Interest	475	327	(148)	353	473	120
Total Receipts	8,775	5,142	(3,633)	4,545	8,458	3,913
DISBURSEMENTS						
Sheriff	8,775	7,257	1,518	4,545	7,144	(2,599)
Total Disbursements	8,775	7,257	1,518	4,545	7,144	(2,599)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(2,115)	(2,115)	0	1,314	1,314
CASH, JANUARY 1	7,483	7,483	0	6,169	6,169	0
CASH, DECEMBER 31	7,483	5,368	(2,115)	6,169	7,483	1,314
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	1,200	1,099	(101)	2,700	1,193	(1,507)
Interest	25	28	3	0	39	39
Total Receipts	1,225	1,127	(98)	2,700	1,232	(1,468)
DISBURSEMENTS						
Prosecuting Attorney	1,215	1,396	(181)	1,600	1,120	480
State of Missouri	0	0	0	1,000	0	1,000
Total Disbursements	1,215	1,396	(181)	2,600	1,120	1,480
RECEIPTS OVER (UNDER) DISBURSEMENTS	10	(269)	(279)	100	112	12
CASH, JANUARY 1	718	718	0	606	606	0
CASH, DECEMBER 31	728	449	(279)	706	718	12
<u>PROSECUTING ATTORNEY BAD CHECK FEE FUND</u>						
RECEIPTS						
Intergovernmental	8,500	0	(8,500)	0	1,085	1,085
Charges for services	32,700	28,655	(4,045)	31,000	26,009	(4,991)
Interest	0	144	144	0	602	602
Total Receipts	41,200	28,799	(12,401)	31,000	27,696	(3,304)
DISBURSEMENTS						
Salaries	25,000	28,098	(3,098)	35,000	33,072	1,928
Employee fringe benefits	5,647	3,139	2,508	3,500	3,980	(480)
Victim/witness expenses	9,000	18	8,982	0	100	(100)
Other	1,000	0	1,000	2,000	15	1,985
Transfer out	0	325	(325)	0	0	0
Total Disbursements	40,647	31,580	9,067	40,500	37,167	3,333
RECEIPTS OVER (UNDER) DISBURSEMENTS	553	(2,781)	(3,334)	(9,500)	(9,471)	29
CASH, JANUARY 1	5,555	5,555	0	15,026	15,026	0
CASH, DECEMBER 31	6,108	2,774	(3,334)	5,526	5,555	29

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
911 FUND						
RECEIPTS						
Charges for services	300,500	350,805	50,305	284,505	352,483	67,978
Interest	2,250	1,759	(491)	2,500	3,324	824
Other	0	1,529	1,529	0	2,143	2,143
Transfers in	99,000	103,000	4,000	106,989	145,000	38,011
Total Receipts	401,750	457,093	55,343	393,994	502,950	108,956
DISBURSEMENTS						
Salaries	270,000	285,406	(15,406)	250,800	270,475	(19,675)
Fringe benefits	74,170	73,360	810	49,244	57,504	(8,260)
Office supplies	4,000	4,201	(201)	3,500	6,089	(2,589)
Equipment and leasing	67,500	70,750	(3,250)	77,000	66,238	10,762
Equipment repair and maintenance	4,600	5,424	(824)	3,000	4,473	(1,473)
Line charge	30,000	33,329	(3,329)	8,000	29,682	(21,682)
Training and mileage	2,000	3,779	(1,779)	5,700	1,945	3,755
Mapping and signs	8,000	10,425	(2,425)	0	18,520	(18,520)
Other	1,500	5,320	(3,820)	10,500	1,770	8,730
Total Disbursements	461,770	491,994	(30,224)	407,744	456,696	(48,952)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(60,020)	(34,901)	25,119	(13,750)	46,254	60,004
CASH, JANUARY 1	60,052	60,052	0	13,750	13,798	48
CASH, DECEMBER 31	32	25,151	25,119	0	60,052	60,052
CAPITAL IMPROVEMENT TAX FUND						
RECEIPTS						
Sales taxes	1,100,000	1,159,527	59,527	975,000	1,067,922	92,922
Intergovernmental	0	4,943	4,943	0	0	0
Charges for services	611,050	474,782	(136,268)	365,000	614,448	249,448
Interest	22,000	14,831	(7,169)	15,000	21,969	6,969
Other	29,000	22,479	(6,521)	17,000	33,634	16,634
Total Receipts	1,762,050	1,676,562	(85,488)	1,372,000	1,737,973	365,973
DISBURSEMENTS						
Salaries	556,308	566,921	(10,613)	433,700	491,652	(57,952)
Fringe benefits	175,104	177,291	(2,187)	101,042	97,496	3,546
Building maintenance	16,500	35,166	(18,666)	32,164	44,405	(12,241)
Equipment and leasing	56,000	35,633	20,367	74,200	54,671	19,529
Equipment maintenance and operating supplies	65,300	80,387	(15,087)	300	68,184	(67,884)
Utilities	95,000	89,352	5,648	114,900	92,508	22,392
Insurance	37,000	24,769	12,231	33,000	36,337	(3,337)
Board of prisoners	204,500	235,601	(31,101)	52,000	196,197	(144,197)
Jail supplies	47,500	27,511	19,989	20,000	52,835	(32,835)
Medical and emergency supplies	1,500	0	1,500	24,650	1,612	23,038
Lease/purchase payment	491,177	383,762	107,415	493,502	493,752	(250)
Other	16,000	13,383	2,617	3,075	21,970	(18,895)
Transfers out	0	107,416	(107,416)	0	0	0
Total Disbursements	1,761,889	1,777,192	(15,303)	1,382,533	1,651,619	(269,086)
RECEIPTS OVER (UNDER) DISBURSEMENTS	161	(100,630)	(100,791)	(10,533)	86,354	96,887
CASH, JANUARY 1	419,506	419,506	0	333,586	333,152	(434)
CASH, DECEMBER 31	419,667	318,876	(100,791)	323,053	419,506	96,453

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
SENIOR CITIZENS SERVICE FUND						
RECEIPTS						
Property taxes	127,000	128,263	1,263	120,001	126,748	6,747
Intergovernmental	0	693	693	0	14	14
Interest	7,000	5,187	(1,813)	4,900	5,861	961
Total Receipts	134,000	134,143	143	124,901	132,623	7,722
DISBURSEMENTS						
Contractual services	128,750	147,287	(18,537)	124,350	110,578	13,772
Mileage	600	246	354	500	375	125
Other	150	344	(194)	100	114	(14)
Total Disbursements	129,500	147,877	(18,377)	124,950	111,067	13,883
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,500	(13,734)	(18,234)	(49)	21,556	21,605
CASH, JANUARY 1	61,420	61,420	0	39,864	39,864	0
CASH, DECEMBER 31	65,920	47,686	(18,234)	39,815	61,420	21,605
SHERIFF'S DISCRETIONARY FUND						
RECEIPTS						
Charges for services	39,000	46,819	7,819	24,400	33,347	8,947
Interest	1,700	852	(848)	461	1,632	1,171
Other	0	0	0	0	5,668	5,668
Total Receipts	40,700	47,671	6,971	24,861	40,647	15,786
DISBURSEMENTS						
Salaries	0	373	(373)	0	0	0
Fringe benefits	0	54	(54)	0	0	0
Equipment	25,000	21,909	3,091	22,774	12,262	10,512
Office expenditures	25,000	18,516	6,484	0	23,969	(23,969)
Other	0	0	0	0	1,000	(1,000)
Transfers out	0	5,900	(5,900)	0	0	0
Total Disbursements	50,000	46,752	3,248	22,774	37,231	(14,457)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,300)	919	10,219	2,087	3,416	1,329
CASH, JANUARY 1	18,594	18,594	0	15,178	15,178	0
CASH, DECEMBER 31	9,294	19,513	10,219	17,265	18,594	1,329
PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND						
RECEIPTS						
Charges for services	2,000	0	(2,000)	990	3,590	2,600
Interest	0	215	215	15	201	186
Total Receipts	2,000	215	(1,785)	1,005	3,791	2,786
DISBURSEMENTS						
Office expenditures	4,000	0	4,000	1,000	0	1,000
Total Disbursements	4,000	0	4,000	1,000	0	1,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,000)	215	2,215	5	3,791	3,786
CASH, JANUARY 1	4,830	4,830	0	1,039	1,039	0
CASH, DECEMBER 31	2,830	5,045	2,215	1,044	4,830	3,786

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SHELTER FOR VICTIMS OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Intergovernmental	0	0	0	0	665	665
Charges for services	2,400	1,325	(1,075)	2,500	1,894	(606)
Interest	200	190	(10)	2,010	2,305	295
Total Receipts	2,600	1,515	(1,085)	4,510	4,864	354
DISBURSEMENTS						
Domestic violence shelters	2,600	0	2,600	0	40,665	(40,665)
Total Disbursements	2,600	0	2,600	0	40,665	(40,665)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	1,515	1,515	4,510	(35,801)	(40,311)
CASH, JANUARY 1	3,034	3,034	0	38,835	38,835	0
CASH, DECEMBER 31	3,034	4,549	1,515	43,345	3,034	(40,311)
<u>HOUSE BILL 786 (RECORDER'S USER FEE) FUND</u>						
RECEIPTS						
Charges for services	12,000	24,781	12,781	14,000	11,262	(2,738)
Interest	2,100	1,919	(181)	1,025	2,143	1,118
Transfers in	0	0	0	0	1,026	1,026
Total Receipts	14,100	26,700	12,600	15,025	14,431	(594)
DISBURSEMENTS						
Computer equipment	12,500	3,921	8,579	21,000	2,900	18,100
Contractual agreements	3,000	0	3,000	0	0	0
Total Disbursements	15,500	3,921	11,579	21,000	2,900	18,100
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,400)	22,779	24,179	(5,975)	11,531	17,506
CASH, JANUARY 1	35,786	35,786	0	24,255	24,255	0
CASH, DECEMBER 31	34,386	58,565	24,179	18,280	35,786	17,506
<u>CRIMINAL FORFEITURE FUND</u>						
RECEIPTS						
Interest	15	6	(9)	12	16	4
Other	0	75	75	0	0	0
Total Receipts	15	81	66	12	16	4
DISBURSEMENTS						
Other	0	0	0	0	0	0
Total Disbursements	0	0	0	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	15	81	66	12	16	4
CASH, JANUARY 1	242	242	0	226	226	0
CASH, DECEMBER 31	257	323	66	238	242	4

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ROAD DISTRICT #1 MARINA TAX FUND</u>						
RECEIPTS						
Sales tax	23,000	14,146	(8,854)	29,000	17,936	(11,064)
Interest	280	1,577	1,297	282	1,357	1,075
Total Receipts	23,280	15,723	(7,557)	29,282	19,293	(9,989)
DISBURSEMENTS						
Road maintenance supplies	14,693	5,960	8,733	29,000	14,693	14,307
Total Disbursements	14,693	5,960	8,733	29,000	14,693	14,307
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,587	9,763	1,176	282	4,600	4,318
CASH, JANUARY 1	33,217	33,217	0	28,617	28,617	0
CASH, DECEMBER 31	41,804	42,980	1,176	28,899	33,217	4,318
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	4,200	3,427	(773)	4,500	4,358	(142)
Total Receipts	4,200	3,427	(773)	4,500	4,358	(142)
DISBURSEMENTS						
Unclassified	0	31	(31)	0	232	(232)
Total Disbursements	0	31	(31)	0	232	(232)
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,200	3,396	(804)	4,500	4,126	(374)
CASH, JANUARY 1	0	28,157	28,157	0	24,031	24,031
CASH, DECEMBER 31	4,200	31,553	27,353	4,500	28,157	23,657
<u>ASSOCIATE DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	1,000	856	(144)	800	1,225	425
Total Receipts	1,000	856	(144)	800	1,225	425
DISBURSEMENTS						
Office expenditures	1,500	1,700	(200)	800	0	800
Total Disbursements	1,500	1,700	(200)	800	0	800
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	(844)	(344)	0	1,225	1,225
CASH, JANUARY 1	1,596	1,596	0	0	371	371
CASH, DECEMBER 31	1,096	752	(344)	0	1,596	1,596

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DRUG AWARENESS AND RESISTANCE EDUCATION FUND</u>						
RECEIPTS						
Charges for services	0	500	500	0	387	387
Interest	0	51	51	100	108	8
Other	100	22	(78)	0	1,000	1,000
Transfers in	0	5,900	5,900	0	0	0
Total Receipts	100	6,473	6,373	100	1,495	1,395
DISBURSEMENTS						
Office expenditures	1,750	7,518	(5,768)	100	1,121	(1,021)
Total Disbursements	1,750	7,518	(5,768)	100	1,121	(1,021)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,650)	(1,045)	605	0	374	374
CASH, JANUARY 1	1,784	1,784	0	1,410	1,410	0
CASH, DECEMBER 31	134	739	605	1,410	1,784	374
<u>W-12 CONSTRUCTION MAINTENANCE FUND</u>						
RECEIPTS						
Property taxes	22,000	23,526	1,526	21,643	22,431	788
Interest	3,500	3,344	(156)	3,832	4,651	819
Total Receipts	25,500	26,870	1,370	25,475	27,082	1,607
DISBURSEMENTS						
Bond payment	24,000	22,508	1,492	25,000	22,423	2,577
Other	0	303	(303)		631	(631)
Total Disbursements	24,000	22,811	1,189	25,000	23,054	1,946
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,500	4,059	2,559	475	4,028	3,553
CASH, JANUARY 1	69,868	69,868	0	65,840	65,840	0
CASH, DECEMBER 31	71,368	73,927	2,559	66,315	69,868	3,553
<u>TAX INCREMENT FINANCING - ECONOMIC ACTIVITY TAXES</u>						
RECEIPTS						
Economic activity taxes and payments in lieu of tax	22,000	10,149	(11,851)	23,344	11,227	(12,117)
Interest	500	2,174	1,674	654	2,739	2,085
Total Receipts	22,500	12,323	(10,177)	23,998	13,966	(10,032)
DISBURSEMENTS						
Unclassified	22,500	222	22,278	23,000	192	22,808
Total Disbursements	22,500	222	22,278	23,000	192	22,808
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	12,101	12,101	998	13,774	12,776
CASH, JANUARY 1	47,311	47,311	0	33,537	33,537	0
CASH, DECEMBER 31	47,311	59,412	12,101	34,535	47,311	12,776

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>TAX INCREMENT FINANCING - SPECIAL ACCOUNT FOR DEVELOPER FUND</u>						
RECEIPTS						
Property taxes	0	3,533	3,533	0	0	0
Interest	5	0	(5)	0	26	26
Total Receipts	5	3,533	3,528	0	26	26
DISBURSEMENTS						
Legal services	0	0	0	0	1,165	(1,165)
Transfers out	0	3,533	(3,533)	0	0	0
Total Disbursements	0	3,533	(3,533)	0	1,165	(1,165)
RECEIPTS OVER (UNDER) DISBURSEMENTS	5	0	(5)	0	(1,139)	(1,139)
CASH, JANUARY 1	7	7	0	1,146	1,146	0
CASH, DECEMBER 31	12	7	(5)	1,146	7	(1,139)
<u>TAX INCREMENT FINANCING - ADMINISTRATIVE FUND</u>						
RECEIPTS						
Intergovernmental	0	0	0	740	0	(740)
Interest	20	26	6	68	39	(29)
Total Receipts	20	26	6	808	39	(769)
DISBURSEMENTS						
Office expenditures	0	43	(43)	0	0	0
Unclassified	0	0	0	800	0	800
Total Disbursements	0	43	(43)	800	0	800
RECEIPTS OVER (UNDER) DISBURSEMENTS	20	(17)	(37)	8	39	31
CASH, JANUARY 1	679	679	0	640	640	0
CASH, DECEMBER 31	699	662	(37)	648	679	31
<u>TAX INCREMENT FINANCING - SPECIAL ALLOCATION FUND</u>						
RECEIPTS						
Property taxes	180,000	372,427	192,427	199,800	55,336	(144,464)
Interest	3,000	7,954	4,954	5,800	4,030	(1,770)
Transfers in	2,000	3,533	1,533	0	0	0
Total Receipts	185,000	383,914	198,914	205,600	59,366	(146,234)
DISBURSEMENTS						
Bond payment	0	35,000	(35,000)	0	35,000	(35,000)
Court ordered bankruptcy settlement payments	0	250,000	(250,000)	0	103,498	(103,498)
Other	0	2,797	(2,797)	0	0	0
Transfers out	0	5,000	(5,000)	0	4,875	(4,875)
Unclassified	185,000	0	185,000	127,000	0	127,000
Total Disbursements	185,000	292,797	(107,797)	127,000	143,373	(16,373)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	91,117	91,117	78,600	(84,007)	(162,607)
CASH, JANUARY 1	39,176	39,176	0	123,183	123,183	0
CASH, DECEMBER 31	39,176	130,293	91,117	201,783	39,176	(162,607)

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>1998 FEMA FLOOD MONEY FUND</u>						
RECEIPTS						
Intergovernmental	14,250	45,005	30,755	30,000	0	(30,000)
Total Receipts	14,250	45,005	30,755	30,000	0	(30,000)
DISBURSEMENTS						
1998 flood repair	14,250	45,005	(30,755)	30,000	0	30,000
Transfers out	0	0	0	0	73,024	(73,024)
Total Disbursements	14,250	45,005	(30,755)	30,000	73,024	(43,024)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	(73,024)	(73,024)
CASH, JANUARY 1	0	0	0	73,024	73,024	0
CASH, DECEMBER 31	0	0	0	73,024	0	(73,024)
<u>ASSOCIATE COURT SERVICES FUND</u>						
RECEIPTS						
Charges for services	50,000	6	(49,994)	24,000	3,185	(20,815)
Interest	500	232	(268)	350	580	230
Transfers in	0	2,500	2,500	0	0	0
Total Receipts	50,500	2,738	(47,762)	24,350	3,765	(20,585)
DISBURSEMENTS						
Salaries	6,000	8,385	(2,385)	18,750	2,002	16,748
Fringe benefits	500	680	(180)	2,433	165	2,268
Office expenditures	4,000	0	4,000	0	0	0
Total Disbursements	10,500	9,065	1,435	21,183	2,167	19,016
RECEIPTS OVER (UNDER) DISBURSEMENTS	40,000	(6,327)	(46,327)	3,167	1,598	(1,569)
CASH, JANUARY 1	8,295	8,295	0	6,697	6,697	0
CASH, DECEMBER 31	48,295	1,968	(46,327)	9,864	8,295	(1,569)

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>HEALTH CENTER FUND</u>						
RECEIPTS						
Property taxes	382,243	371,901	(10,342)			
Intergovernmental	271,183	219,805	(51,378)			
Interest	0	7,511	7,511			
Other	200	15,551	15,351			
Unclassified	0	299	299			
Total Receipts	653,626	615,067	(38,559)			
DISBURSEMENTS						
Salaries	321,531	315,907	5,624			
Fringe benefits	37,925	70,923	(32,998)			
Office expenditures	18,335	6,303	12,032			
Equipment and equipment repairs	8,126	2,224	5,902			
Insurance	7,929	0	7,929			
Mileage	5,000	2,429	2,571			
Public health services	63,372	87,302	(23,930)			
Other	31,222	476	30,746			
Transfers out	151,058	0	151,058			
Unclassified	0	(18,879)	18,879			
Total Disbursements	644,498	466,685	177,813			
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,128	148,382	139,254			
CASH, JANUARY 1	0	31,287	31,287			
CASH, DECEMBER 31	9,128	179,669	170,541			
<u>W-15C NEIGHBORHOOD IMPROVEMENT DISTRICT FUND</u>						
RECEIPTS						
Property taxes	8,000	12,256	4,256			
Interest	0	2,413	2,413			
Total Receipts	8,000	14,669	6,669			
DISBURSEMENTS						
Bond payment	7,200	14,012	(6,812)			
Total Disbursements	7,200	14,012	(6,812)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	800	657	(143)			
CASH, JANUARY 1	50,617	50,617	0			
CASH, DECEMBER 31	51,417	51,274	(143)			

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>BAGNELL MARINA TAX FUND</u>						
RECEIPTS						
Sales taxes	63,000	43,027	(19,973)			
Interest	0	7,129	7,129			
Total Receipts	63,000	50,156	(12,844)			
DISBURSEMENTS						
Road maintenance supplies	18,400	0	18,400			
Unclassified	0	30,970	(30,970)			
Total Disbursements	18,400	30,970	(12,570)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	44,600	19,186	(25,414)			
CASH, JANUARY 1	148,424	148,424	0			
CASH, DECEMBER 31	193,024	167,610	(25,414)			
<u>KAISER MARINA TAX FUND</u>						
RECEIPTS						
Sales taxes	2,392	1,768	(624)			
Interest	0	90	90			
Total Receipts	2,392	1,858	(534)			
DISBURSEMENTS						
Unclassified	2,300	4,077	(1,777)			
Total Disbursements	2,300	4,077	(1,777)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	92	(2,219)	(2,311)			
CASH, JANUARY 1	2,294	2,294	0			
CASH, DECEMBER 31	2,386	75	(2,311)			
<u>LOCAL EMERGENCY PREPAREDNESS FUND</u>						
RECEIPTS						
Intergovernmental	2,600	4,351	1,751			
Interest	0	96	96			
Total Receipts	2,600	4,447	1,847			
DISBURSEMENTS						
Equipment	0	2,470	(2,470)			
Mileage	0	1,617	(1,617)			
Unclassified	2,600	0	2,600			
Total Disbursements	2,600	4,087	(1,487)			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	360	360			
CASH, JANUARY 1	2,600	2,600	0			
CASH, DECEMBER 31	2,600	2,960	360			

Exhibit B

MILLER COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

	Year Ended December 31,					
	2001			2000		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DETENTION CENTER COMMISSARY FUND</u>						
RECEIPTS						
Commissary profit	7,000	5,508	(1,492)			
Interest	0	297	297			
Total Receipts	7,000	5,805	(1,195)			
DISBURSEMENTS						
Equipment	5,000	0	5,000			
Total Disbursements	5,000	0	5,000			
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,000	5,805	3,805			
CASH, JANUARY 1	4,163	4,163	0			
CASH, DECEMBER 31	6,163	9,968	3,805			
<u>POST COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	4,000	2,181	(1,819)			
Interest	0	167	167			
Total Receipts	4,000	2,348	(1,652)			
DISBURSEMENTS						
Training	5,000	0	5,000			
Total Disbursements	5,000	0	5,000			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000)	2,348	3,348			
CASH, JANUARY 1	3,284	3,284	0			
CASH, DECEMBER 31	2,284	5,632	3,348			

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

MILLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Miller County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Tax Increment Financing Commission, the Health Center Board, or the Senior Citizens Service Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Law Library Fund	2001 and 2000
Family Access Motion Fund	2001 and 2000
Juvenile Assessment Fee Fund	2001 and 2000
K-9 Fund	2001 and 2000
Election Services Fund	2001
Recorder's Technology Fund	2001
Capital Improvement Inventory	
Courthouse Fund	2001
Health Center Fund	2000
W-15C Neighborhood Improvement	
District Fund	2000
Bagnell Marina Tax Fund	2000
Kaiser Marina Tax Fund	2000
Local Emergency Preparedness Fund	2000
Detention Center Commissary Fund	2000
POST Commission Fund	2000
Training and Equipment Fund	2000

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
General Revenue Fund	2001
Law Enforcement Training Fund	2000
Prosecuting Attorney Training Fund	2001
911 Fund	2001 and 2000
Capital Improvement Tax Fund	2001 and 2000
Senior Citizens Service Fund	2001
Sheriff's Discretionary Fund	2000
Shelter for Victims of Domestic	
Violence Fund	2000
Circuit Clerk Interest Fund	2001 and 2000
Associate Division Interest Fund	2001
Drug Awareness and Resistance	
Education Fund	2001 and 2000
Tax Increment Financing - Special	
Account for Developer Fund	2001 and 2000
Tax Increment Financing -	
Administrative Fund	2001

Tax Increment Financing - Special	
Allocation Fund	2001 and 2000
1998 FEMA Flood Money Fund	2001 and 2000
W-15C Neighborhood Improvement	
District Fund	2001
Bagnell Marina Tax Fund	2001
Kaiser Marina Tax Fund	2001
Local Emergency Preparedness Fund	2001

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Circuit Clerk Interest Fund	2001 and 2000
Associate Division Interest Fund	2001 and 2000
Law Library Fund	2001 and 2000
Juvenile Assessment Fee Fund	2001 and 2000
K-9 Fund	2001 and 2000
Training and Equipment Fund	2000

Additionally, for the Health Center Fund, the county's published financial statements for the years ended December 31, 2001 and 2000, included only those amounts that passed through the County Treasurer.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or

through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

Cash includes both deposits and investments. In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of deposits and investments. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

The county's deposits at December 31, 2001 and 2000, were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

Of the Health Center's bank balance at December 31, 2001, \$100,000 was covered by federal depositary insurance, and \$105,438 was uninsured and uncollateralized.

Furthermore, because of significantly higher bank balances at certain times during the year, the amount of uninsured and under collateralized balances were substantially higher at those times than such amount at year-end.

The Health Center's deposits at December 31, 2000 were entirely covered by federal depositary insurance.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositaries to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The only investment of the various funds at December 31, 2001 and 2000, was a repurchase agreement with a reported amount of \$2,373,676 and \$2,262,929, respectively (which approximated fair value). This investment represents an uninsured and unregistered investment for which the security was held by the dealer bank's trust department or agent in the county's name.

3. Prior Period Adjustment

The Debt Service Reserve fund's cash balance at January 1, 2000, as previously stated has been decreased by \$518,431 to reflect the exclusion of monies held and expended on behalf of the county by an independent trustee who is not under the direct supervision of the County Commission or other county officials.

The Circuit Clerk Interest fund's cash balance at January 1, 2000, as previously stated has been increased by \$24,031 to reflect county monies held by the Circuit Clerk that were not reported previously.

The W-15C Neighborhood Improvement District fund's cash balance at January 1, 2000, as previously stated has been increased by \$62,509 to reflect county monies held by the County Treasurer that were not reported previously.

The POST Commission fund's cash balance at January 1, 2000, as previously stated has been increased by \$1,018 to reflect county monies held by the County Treasurer that were not reported previously.

The Family Access Motion fund's cash balance at January 1, 2000, as previously stated has been increased by \$274 to reflect county monies held by the County Treasurer that were not reported previously.

The Juvenile Assessment Fee fund's cash balance at January 1, 2000, as previously stated has been increased by \$250 to reflect county monies held by the Circuit Clerk that were not reported previously.

Schedule

MILLER COUNTY, MISSOURI
SCHEDULE OF FINDINGS
YEARS ENDED DECEMBER 31, 2001 AND 2000

This schedule includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

01-1.

Budgetary Practices

Problems with county budgetary practices have been noted in the past several audit reports and county officials indicated their intent to implement reported recommendations where possible. However, little or no improvement has been made and similar budgetary problems still existed during the current audit. The budget documents prepared by the County Clerk for the years ended December 31, 2001, and 2000 contained errors and misclassifications, and some disbursements were unclassified. Disbursements exceeded budgeted amounts in many funds and the County Commission did not prepare budget amendments to ensure that unanticipated receipts and disbursements were included in the budget amounts. Additionally, budgets were not prepared or obtained for some county funds held by the County Treasurer or other county officials.

- A. Budgets prepared or obtained by the County Clerk and approved by the County Commission were not accurate.
- 1) Budgets prepared by the County Clerk contained errors which caused various funds to show incorrect totals or prevented the detail in the budget from agreeing to the total presented. These errors were created when the budget was prepared on an electronic spreadsheet. This spreadsheet does not include appropriate edit checks to detect differences between the input data and calculated totals. Adjustments have been made to the audited financial statements to correct these errors.
 - 2) Some budgeted and actual amounts in the budget documents were not properly classified by type of receipt or disbursement. In addition, some transfers were not classified as transfers in or out. To more accurately present the county's financial statements, we reclassified more than \$816,000 of receipts and disbursements in eleven different funds during the two years ended December 31, 2001. Over \$271,000 of these amounts were originally classified as other receipts or other disbursements, over \$107,000 was recorded as a lease purchase payment but was really a transfer, and \$250,000 was recorded as a bond payment but was really a distribution, ordered by a bankruptcy court, to a creditor of one of the county's vendors.

In addition, some budget and actual disbursement amounts were not classified but were simply listed as "disbursements" or were shown as an amount with no description. To more accurately present the county's financial statements, we reclassified over \$114,000 of unclassified disbursements in two funds during the two years ended December 31, 2001.

The county's budget should include accurate financial information and classifications of receipts and disbursements to ensure the county's financial information is properly presented and to increase the effectiveness of the budgets as management tools.

- B. Disbursements exceeded budgeted amounts in various funds during the two years ended December 31, 2001, as followed:

Fund	Year Ended December 31,	
	2001	2000
General Revenue	\$ 5,355	NA
Law Enforcement Training	NA	2,599
Prosecuting Attorney Training	181	NA
911	30,224	48,952
Capital Improvement Tax	15,303	269,086
Senior Citizens Service	18,377	NA
Sheriff's Discretionary	NA	14,457
Shelter for Victims of Domestic Violence	NA	40,665
Circuit Clerk Interest	31	232
Associate Division Interest	200	NA
Drug Awareness and Resistance Education	5,768	1,021
Tax Increment Financing - Special Account for Developer	3,533	1,165
Tax Increment Financing - Administrative	43	NA
Tax Increment Financing - Special Allocation	107,797	16,373
1998 FEMA Flood Money	30,755	43,024
W-15C Neighborhood Improvement District	6,812	NA
Bagnell Marina Tax	12,570	NA
Kaiser Marina Tax	1,777	NA
Local Emergency Preparedness	1,487	NA

The County Commission does not ensure that budget variances are reviewed and that budget amendments are periodically prepared in accordance with statute.

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 S.W.2d 246 (1954) that strict compliance with the county budget law is required by county officials. If

there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and the county shall follow the same procedures required for adoption of the annual budget to amend its budgets.

- C. The County Clerk had no procedures to ensure budgets were prepared for all county funds or were obtained for some county funds held outside the county treasury for the two years ended December 31, 2001. Some unbudgeted funds made significant expenditures during the two years including the W-15C Neighborhood Improvement District Fund, the Bagnell Marina Tax Fund, and the Law Library Fund which is maintained by the Prosecuting Attorney.

Chapter 50, RSMo 2000, requires preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all funds, the County Commission can evaluate all county financial resources more effectively.

WE RECOMMEND the County Commission:

- A. Ensure budget documents are accurate and complete and that receipts and disbursements are appropriately classified.
- B. Not authorize disbursements in excess of budgeted amounts. If necessary, extenuating circumstances should be fully documented and the budgets properly amended and filed with the State Auditor's office.
- C. And the County Clerk work with other officials to ensure financial information for all county funds is included in the annual budgets.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *We will do our best to correct these problems beginning with budget year 2003.*
- B. *We will correct this problem if it needs to be corrected beginning with budget year 2003.*
- C. *The County Clerk does work with other county officials to the extent possible. Some of these funds were not budgeted because they were created during mid year. We will work to ensure budgets are prepared for new funds created during the year and will follow applicable state law regarding the creation of these budgets.*

Follow-up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

MILLER COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 1999, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

MILLER COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Miller County, Missouri, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated July 29, 2002.

We also have audited the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Because the Miller County Board for Services for the Developmentally Disabled is audited and separately reported on by other independent auditors, the related fund is not presented in the special-purpose financial statements. However, we reviewed those audit reports and other applicable information for the years ended June 30, 2001 and 2000.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings. These findings resulted from our audit of

the special-purpose financial statements of Miller County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Published Financial Statements
--

The annual published financial statements did not include all information required by statute. We noted the following concerns during our review of the county's annual published financial statements for the years ended December 31, 2001 and 2000:

- Although the activity of many county funds was presented in the county's annual published financial statements, the financial activity of six county funds was not presented during the years ended December 31, 2001 and 2000. In addition, the county's published financial statements for the years ended December 31, 2001 and 2000, included only those Health Center Fund amounts that passed through the County Treasurer. Funds expended by the Health Center Board of directors but not presented in the published statements during the year ended December 31, 2001 totaled \$466,685.
- Disbursement detail by vendor was not presented for many funds. Expenditures totaled \$520,263 and \$433,308 in the funds for which details were not presented during the years ended December 31, 2001 and 2000, respectively.
- The disbursement detail presented for some funds did not agree to the published fund summaries or to the county's budget documents. Disbursement details were understated by \$757,119 and \$667,979 for the years ended December 31, 2001 and 2000, respectively.
- We noted that many funds presented only a single revenue total instead of budget category totals as required by statute.

Chapter 50, RSMo 2000, requires the County Commission to prepare and publish a detailed financial statement of the county. Section 50.800.5, RSMo 2000, requires that each fund be shown separately. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.

Similar conditions were noted in our prior audit report.

WE AGAIN RECOMMEND the County Commission and the Health Center Board of Trustees ensure financial information for all county funds is properly reported in the annual financial statements.

AUDITEE'S RESPONSE

The County Commission provided the following response:

The County Commission will ensure that the county's calendar year 2002 financial information is published in accordance with state law.

The Health Center Administrator provided the following response:

The Health Center's calendar year 2002 financial statements will be published in accordance with state law.

2. Officials' Salaries

Section 50.333.13, RSMo, enacted in 1997, allowed salary commissions meeting in 1997 to provide mid-term salary increases for associate county commissioners elected in 1996. The motivation behind this amendment was the fact that associate county commissioners' terms had been increased from two years to four years. Based on this statute, in 1999 Miller County's Associate County Commissioners salaries were each increased approximately \$7,390 yearly, according to information from the salary commission minutes.

On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case that challenged the validity of that statute. The Supreme Court held that this section of statute violated Article VII, section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county and municipal officers during the term of office. This case, *Laclede County v. Douglass et al.*, holds that all raises given pursuant to this statute section are unconstitutional.

Based on the Supreme Court decision, the raises given to each of the two Associate County Commissioners totaling approximately \$14,780 for the years ended December 31, 2000 and 1999, should be repaid. In addition, in light of the ruling, any other raises given to other officials within their term of office should be re-evaluated for propriety.

WE RECOMMEND the County Commission and the salary commission review the impact of the Supreme Court decision and develop a plan for obtaining repayment of the salary overpayments.

AUDITEE'S RESPONSE

The County Commission and the Salary Commission approved these raises in good faith and will not seek reimbursement of overpayments until a statewide remedy is developed.

3.**Personnel and Payroll Procedures**

The County Clerk prepares and distributes payroll for salaried employees before time sheets covering the payroll period are submitted to the County Commission. In addition, numerous weaknesses existed concerning time sheet controls including the county's system of calculating and monitoring compensatory and leave balances.

A. We noted the following problems with time sheets:

- 1) The Sheriff's department and jail supervisors were not signing off on time sheets submitted.
- 2) Time sheets were not always turned in timely to the County Commission. County procedures do not require time sheets to be submitted until after payroll for that period is processed and distributed. In fact, some time sheets were apparently never submitted to the County Commission.
- 3) Time sheets contained errors in the manual calculations of leave balances.

To ensure adequate support for payroll expenditures, the time records should be prepared and signed by all employees, verified for accuracy, approved by the applicable supervisor, and filed with the County Commission. In addition, the County Clerk should prepare payroll on the basis of properly submitted time sheets.

B. The County Commission has established policies for leave and compensatory time benefits; however, the county is not complying with various policies. In addition, the County Commission has not implemented adequate controls for the review of compensatory time leave.

- 1) The Sheriff's department is not following the county's policy for awarding compensatory time to emergency service employees. The county's policy states that the pay period for the emergency service personnel in the Sheriff's Department is 28 days (however, the county uses the same pay period for these staff as is used for other county employees) and that compensatory time will be allowed only for employees that work more than 171 hours in the 28 day period. The Sheriff's department was awarding compensatory time for all hours worked each week in excess of forty hours.

Adherence to the county's personnel policy regarding calculations of overtime/compensatory time earnings is necessary to ensure the cost incurred by the county for overtime payments or compensatory time off does not exceed the amounts allowed by policy.

- 2) The County Commission has not implemented proper controls to ensure compensatory time balances are reviewed for accuracy, unusual activity, and excessive balances. We noted several employees with large compensatory time balances and one employee with a negative compensatory time balance. One employee requested cash payment of their large accumulated compensatory time balance. However, the County Commission did not make the requested payment because the county could not afford to pay out other employees' compensatory time balances.

Proper controls over the management of compensatory time balances require the county to evaluate balances for reasonableness, the reasons for large or increasing balances, and provide solutions to prevent excessive balances. Excessive compensatory time represents a large liability for the county which could require significant cash resources upon payment.

- 3) The county's personnel policy allows up to ten days of vacation leave to be carried over from year to year. Some employees are allowed to carry over more days than allowed by the policy without any documentation of the reasons.

Adherence to the county policy is necessary to ensure equitable treatment of all county employees.

WE RECOMMEND the County Commission:

- A. Require time sheets to be submitted in a timely manner for all employees and ensure the time sheets are appropriately approved by the employees' supervisors. Ensure that leave balances recorded on time sheets are reviewed for accuracy and that they represent actual balances owed to employees.

In addition, the County Commission and the County Clerk should develop payroll procedures (such as lagged payroll payments or other appropriate procedures) which require all county employees to be paid based on actual hours worked.

- B.
 - 1) Ensure that compensatory time earnings are calculated in accordance with county policy.
 - 2) Develop controls and procedures to review compensatory time balances for reasonableness and compliance with county policy. Such controls should provide for the timely detection of compensatory balances which are large and the management of balances which are becoming excessive.

- 3) Ensure that the vacation leave balances carried over from year to year are in compliance with county policy.

AUDITEE'S RESPONSE

- A. *The County Commission now requires monthly time sheets to be submitted by the fifth day of the following month. If a time sheet is not submitted, the applicable employee does not receive their next paycheck. The applicable supervisors are now signing time sheets to indicate approval and the County Commission's secretary and the Sheriff's payroll specialist now recalculate leave balances to ensure accuracy.*
- B.1. *The County Commission has ensured that compensatory time is now calculated in accordance with law and county policy.*
2. *By the end of calendar year 2003, the County Commission will ensure that compensatory time balances are in compliance with county policy and maintained at reasonable balances. Payroll clerks currently verify that employees are not paid for compensatory time hours they have not earned.*
3. *The County Commission will ensure compliance with this policy by the end of calendar year 2003.*

4. County Clerk's Account Book

The County Clerk does not maintain a complete account book with the County Collector. The account book includes information presented on the monthly settlements of the County Collector, but does not include tax book charges, delinquent credits, abatements and additions, and protested amounts. This account book is to be prepared by the County Clerk from aggregate abstracts, court orders, monthly statements of collections, and tax books. An accurate account book would enable the County Clerk to ensure that the amount of taxes charged and credited to the County Collector each year is complete and accurate.

Section 51.150(2), RSMo 2000, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. A properly maintained account book can also be used by the County Commission to verify the County Collector's annual settlements.

Similar conditions were noted in our prior audit report.

WE AGAIN RECOMMEND the County Clerk maintain a complete account book with the County Collector. The County Commission should use the account book to verify the County Collector's annual settlements.

AUDITEE'S RESPONSE

The County Clerk responded that this issue will be researched and other county clerks will be consulted to ensure a complete account book is maintained with the County Collector for the tax year beginning on March 1, 2003.

5.

General Fixed Assets

- A. The County Commission or its designee is responsible for maintaining a complete detailed record of county property. In addition, each county official or their designee is responsible for performing periodic inventories and inspections. Our review determined that procedures are not adequate to ensure fixed asset purchases are included in the general fixed asset records. The County Clerk maintains an electronic record of county assets and also maintains the county's stock of numbered property tags that should be affixed to new property; however, we noted the following record keeping problems.

Additions are not always recorded in the property records as they occur and fixed asset purchases per the expenditure records are not reconciled to additions to the property records. Some of the fixed assets purchased during the years ended December 31, 2001 and 2000, were not included on the fixed asset records. In addition, some new assets were not consistently numbered, tagged, or otherwise identified as county property. Property control tags should be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the county.

Property inventories have not been performed during the years ended December 31, 2001 and 2000. Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the County Clerk. The reports required by this section shall be signed by the County Clerk.

- B. Mileage logs are not maintained for county owned vehicles. Logs are necessary to document appropriate use of the vehicles. The logs should include the purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. These logs should be reviewed to ensure the vehicles are used only for county business, are being properly utilized, and help

identify vehicles which should be replaced.

Conditions similar to Part A were noted in our prior audit report.

WE RECOMMEND the County Commission:

- A. Establish a written policy regarding the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for handling of asset disposition, and any other concerns associated with county property.
- B. Require mileage logs to be maintained for county vehicles that reflect the purpose and destination of each trip and review the logs periodically for reasonableness.

AUDITEE'S RESPONSE

- A. *The County Commission will develop a county wide policy by the end of calendar year 2003 to address these issues.*
- B. *The County Commission will review legal requirements and county policy during calendar year 2003 to determine applicable actions or changes that may be necessary.*

6. Miller County Health Center Controls and Procedures

In August 2000, the voters approved the creation of a Board of Trustees and authorized a tax to fund the operations of the Health Center. Beginning in January 2001, the board assumed full responsibility for operations. The Miller County Health Center had previously operated under the control of the County Commission and had received its funding from the county's General Revenue Fund.

Our review of the Health Center's activity while under the direction of the Board of Trustees indicated that budgets were not accurate. In addition, during the years ended December 31, 2001 and 2000, controls over receipts were not sufficient, and monitoring of Comprehensive Family Planning services and costs was not adequate.

- A. Receipts, disbursements, and year end cash balances reported on the Health Center's annual budget did not agree to the Health Center's internal accounting records. For example, for the year ended December 31, 2001, actual receipts and/or disbursements were misstated by over \$19,000, the January 1, 2001 beginning cash balance was understated by over \$31,000, and the December 31, 2001 ending cash balance was understated by over \$50,000. The Health Center does not maintain support for

receipts and disbursements reported in the budget and has no procedures to ensure amounts reported in the budget agree to internal accounting records. Adjustments have been made to the audited financial statements to ensure that information presented agrees to the Health Center's receipt, disbursement, and cash balance totals. These adjustments to receipts and disbursements are represented on Exhibit B as "unclassified" line items.

For the annual budgets to present the Health Center's complete financial activity, all monies received and disbursed in a calendar year should be reflected in the Health Center's budget document and agreed to the cash balance per the year end bank statements.

B. The Health Center does not have adequate controls in place to ensure the proper safeguarding of receipts from theft, misuse, or loss. During our review of the cash receipting and depositing procedures we noted that:

- Monies received are not deposited timely and intact.
- The composition of receipts is not reconciled to the composition of deposits.
- Checks are not restrictively endorsed immediately upon receipt.
- Monies are not always recorded on receipt slips immediately upon receipt.

Monies received from September 12, 2001 to October 1, 2001, totaling approximately \$10,800 (which included \$335 in cash) were deposited on October 1, 2001. On May 1, 2002, \$537 was on hand and a deposit had not been made for seven days. In addition, there was also \$20 cash on hand which had not been receipted.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all monies should be receipted, deposited intact daily or when accumulated receipts exceed \$100, checks and money orders should be restrictively endorsed immediately upon receipt, and the composition of receipt slips issued should be reconciled to the composition of deposits made.

C. Health Center personnel did not adequately monitor amounts expended on Comprehensive Family Planning (CFP) services during the audit period. The average cost per client of providing such services was not periodically calculated as required. The health center's contract with the Missouri Department of Health provides the average cost of providing CFP services should be at least \$150 per client (excluding administrative costs). Based on financial information and cost allocation estimates provided by health center personnel, the average cost per client, excluding administrative costs, of approximately \$196 and \$139 was calculated for the grant

years ended September 30, 2001 and 2000, respectively.

Adequate monitoring and documentation of CFP expenditures is necessary to ensure compliance with the contract provisions. Failure to comply with provisions of the contract could result in decreased funding of future services.

WE RECOMMEND the Health Center Board of Trustees:

- A. Ensure all receipts, disbursements and ending cash balances are properly reflected in the annual budget document.
- B. Ensure all monies are receipted and deposited intact daily or when accumulated receipts exceed \$100, checks and money orders are restrictively endorsed immediately upon receipt, and the composition of receipt slips issued is reconciled to the composition of deposits made.
- C. Monitor the amounts expended on CFP services and periodically calculate the average cost per client as required by the contract with the Missouri Department of Health.

AUDITEE'S RESPONSE

The Health Center Administrator provided the following responses:

- A. *We will implement this recommendation beginning with the calendar year 2003 budget.*
- B. *We have already implemented this recommendation.*
- C. *The Health Center's financial records have been modified to facilitate more accurate tracking of CFP costs and program costs are increasing significantly due to making services available to clients on a weekly basis. We believe that the CFP cost per client is well above the minimum limit for program year 2002. Formal calculations for program year 2002 will be performed by calendar year end and program costs will be calculated periodically in the future.*

7. Prosecuting Attorney Controls and Procedures
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The Prosecuting Attorney received court, law library, and bad check processing fees totaling approximately \$90,000 during the years ended December 31, 2001 and 2000. In addition, the Prosecuting Attorney's office also collected court ordered restitution and bad check restitution; however, summary records were not maintained for total restitution received. Our review of the Prosecuting Attorney's records, controls, and procedures noted the

following areas of concern:

- A. Court and law library fees are received approximately once a month from the state and the courts. Bad check fees are received intermittently from individuals. Court and bad check fees are remitted to the County Treasurer for deposit in the county treasury and law library fees are deposited in the law library bank account held by the Prosecuting Attorney. We noted significant weaknesses in the processing and disposition of these monies.

Receipt slips are not always issued for monies received, monies received are not always remitted to the County Treasurer or deposited in the law library bank account on a timely basis, and checks and money orders received are not restrictively endorsed immediately upon receipt. During the year ended December 31, 2001, the Prosecuting Attorney deposited law library receipts in the law library bank account and transmitted fees received from the courts to the County Treasurer approximately five times per year with time lags between deposits/transmittals as long as five months. For example, we noted that law library receipts from March 23 through July 24, 2001, totaling approximately \$4,800 were not deposited until August 3, 2001.

To adequately safeguard monies and reduce the risk of loss or misuse of funds, pre-numbered receipt slips should be issued for all monies received and the numerical sequence accounted for properly, deposits should be made daily or when accumulated receipts exceed \$100 and, checks and money orders should be restrictively endorsed immediately upon receipt.

- B. Bad check collection procedures usually require that the check issuer pay restitution using two money orders. One money order is made payable to the merchant/victim for restitution and the other to the Prosecuting Attorney for the collection fee. The restitution money orders are forwarded to the merchant/victim after a photo copy is made and placed on file. Bad check fee money orders are periodically remitted intact to the county treasurer. In some bad check and court ordered restitution cases, the Prosecuting Attorney requires the defendant to remit money orders made payable to the Prosecuting Attorney. These money orders are deposited to the Prosecuting Attorney's official bank account and are allocated between various fee and victim balances as sufficient funding is received. We noted significant weaknesses in the processing and disposition of these monies as noted below:

- 1. A log or other record is not maintained to account for all bad check complaints filed with the Prosecuting Attorney and their ultimate disposition. A bad check complaint log would provide a record of all such complaints filed with the Prosecuting Attorney and provide more assurance that all receipts and disbursements related to these cases are properly handled.

In addition, the Prosecuting Attorney does not have any evidence in the official records to ensure that money orders for restitution payments due to victims are actually forwarded to the victim. A copy of the money order is maintained in the case file; however, this does not provide evidence that the money order was actually received by the victim.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint form received and a log should be maintained showing each bad check and its disposition. The log should contain information such as the assigned complaint number, the date the check was received by the prosecutors office, the merchant, the issuer of the check, the amount of the check, the amount of the bad check fee, and the disposition of the bad check, including the date payment was received and transmitted to the merchant and County Treasurer or the criminal case number in which charges were filed or other disposition. In addition, the Prosecuting Attorney should obtain receipts for all restitution monies remitted to victims or should issue the payments by official check after depositing restitution receipts in the official bank account.

2. Receipt slips are not issued for some monies received. Receipts which are hand delivered to the Prosecuting Attorney's office are recorded in a receipt book; however, monies received in the mail are not receipted unless a self addressed, stamped envelope is included with the payment. To adequately account for all receipts, pre-numbered receipt slips should be issued for all monies received and the numerical sequence accounted for properly.
3. The monthly reconciliation between the official bank account and the records of restitution received but not yet distributed does not indicate accurate records of outstanding checks or restitution held in the account. The December 31, 2001 reconciliation listed voided checks that had not been removed from the outstanding check list. We also noted that some defendants' cash balances were negative.

Further research performed by the Prosecuting Attorney's office at our request revealed that several of the large voided checks and negative cash balances were data entry errors in the computerized ledger and correcting entries were made to remove the errors. As of May 31, 2002, the uncorrected void check total was \$334 and the uncorrected negative cash balances of defendants' accounts was approximately \$1,360.

In addition, as of May 31, 2002, outstanding checks totaling approximately \$4,300 have remained in the account, dating from January 2000 through May

2001. Outstanding checks should be periodically reviewed to determine if the payees can be readily located and if there is a need to reissue the checks. If payees cannot be located, Chapter 447 RSMo 2000, which relates to unclaimed property, should be used to disburse these monies.

The Prosecuting Attorney should adopt procedures to ensure timely periodic follow up on errors and other unusual entries that exist on the account reconciliation. In addition, old outstanding checks should be periodically reviewed, reissued, or disposed of in accordance with state law.

4. Money orders received that the Prosecuting Attorney plans to deposit in the official bank account are not restrictively endorsed immediately upon receipt. Endorsements are applied when the monies are deposited; however, as stated above, deposits are not made on a timely basis. To adequately safeguard receipts, all money orders should be restrictively endorsed immediately upon receipt.

Similar conditions were noted in our prior audit report.

WE AGAIN RECOMMEND the Prosecuting Attorney:

- A. Issue pre-numbered receipt slips for all monies received and account for the numerical sequence of receipt slips, deposit or remit receipts daily or when accumulated receipts exceed \$100, and restrictively endorse all checks immediately upon receipt.
- B.1. Maintain a log to account for all bad check complaints filed with the Prosecuting Attorney's office. In addition, the Prosecuting Attorney should obtain receipts from victims for money orders forwarded to the victim or issue restitution payment to victims by official check to account for the ultimate disposition of all restitution receipts received.
2. Issue pre-numbered receipt slips for all monies received and account for the numerical sequence of receipt slips.
3. Research and correct errors and unusual entries on the monthly account reconciliation and ensure that old outstanding checks are reissued or disposed of in accordance with state law.
4. Restrictively endorse all restitution and bad check fee money orders, when applicable, immediately upon receipt.

AUDITEE'S RESPONSE

The Prosecuting Attorney provided the following responses:

A,B.2,

&B.4. While deposits to the law library and transmitted fees from the courts to the County Treasurer were not always timely there was no danger of loss of funds due to the fact that these remittances were from county offices and, as such, were readily replaceable if lost. Checks could not easily be cashed in that they were made payable to the Prosecuting Attorney's Office and would not be accepted by local financial institutions for other than deposit in a county account. In the future efforts will be made to more timely make deposits of such funds and endorse checks and money orders as applicable. This problem could be alleviated by the hiring of additional staff if county funds are budgeted for such staff.

Pre-numbered receipts are routinely issued for any cash payments made to the Prosecuting Attorney's Office, however, office procedure is to require money orders for all restitution. Therefore, in the last 12 months cash received has consisted of small change when the money order was in whole dollars, the total of such small change being likely less than \$10. No receipts are issued to other county officials as their canceled checks serve as receipts. Receipts are issued for payments made in person upon request and upon provision of a stamped, self-addressed envelope for payments by mail. The costs of mailing receipts on all payments would be time consuming and costly. In view of the fact that all money orders are made payable either to the victim, Miller County Bad Check Fund or Miller County Prosecuting Attorney when received or prior to the payor leaving if blank when brought in person, the chances of misuse are minimal. Issuance of a receipt for mail payments would provide little protection in that if such funds were to be stolen the person stealing such funds would simply not issue a receipt and thereby circumvent that procedure.

To partially rectify this concern a new office policy will be adopted in calendar year 2003 requiring issuance of pre-numbered receipts to other offices, all payments made in person and to all persons requesting a receipt on a payment by mail upon provision of a stamped, pre-addressed envelope.

B.1. No hand written log is made of bad check complaints received. All bad check complaints are logged into the bad check collection program which handles the issuance of demand letters, collection and memorializing receipts of payments and disbursements of restitution and fees. That program does not at this time provide for numbered complaints. A copy of this concern will be provided to the programmer to see whether any currently excluded data, such as complaint numbers, and printing of a log can be added as an update and whether such additions are economically feasible. It is not feasible to issue pre-numbered complaints to merchants as many duplicate the forms as needed or print their own forms. Since Tuscumbia is not the business center of the county most merchants mail their checks to the Prosecutor's office or complete the forms prior to any hand delivery. Current staffing levels do not make

feasible the keeping of a separate, written log of such activities.

Obtaining receipts back from payments made by mail is not likely to produce an adequate response. To require all payments to pass through the Prosecuting Attorney's trust account would substantially increase staff time expenditures when such staff time is not currently available.

- B.3. The handling of reconciliation of the trust account has changed substantially over the past 12 months and the process is being further refined as time permits. The duties in that regard have been split to provide further assurance of accuracy. Checks written in the trust account are written by one individual and supplemented by a written memo reviewed by the Prosecuting Attorney prior to issuance. Placement of check ledger information into the computer program and reconciliation of the checking account is performed by a second individual. A third individual maintains a computer record of monies currently held in trust on behalf of each payor. As experience has been gained, the importance of passing information to other persons involved as to returned or voided checks has been emphasized. Negative balances in some defendant's accounts have been a matter of on going review, primarily by the Prosecuting Attorney, and most such balances have been accounted for. All are associated with issues arising before new procedures discussed herein were instituted and some merely involve the credit of a payment or receipt to a wrong co-defendant in a multiple defendant incident. Each such error, as corrected has been documented in the related files and is easily found by referencing monthly balances with the related files. A monthly report of all balances is prepared. Further review is planned to further reduce such negative balances.*

While it is a goal of the Prosecuting Attorney to review outstanding checks and errors on a monthly basis, time restraints do not allow such nor can such matters be scheduled for any specific date or time of the month. With the new procedures instituted and further instruction where appropriate as to the need to document corrections, it is expected that future errors will be minimal or none and past errors will all be corrected as time permits. Assignment of a person to review outstanding checks and request reissuance or cancellation of the same or disbursements to the unclaimed fund is pending approval of the next years budget to make a part-time employee full time.

8.

Sheriff's Accounting Controls and Procedures

Prior audit reports have addressed the inadequacy of former Miller County Sheriffs' accounting controls and procedures. The current Sheriff has made some changes that improved the controls, procedures, and records of the Sheriff's office. However, weaknesses were still noted regarding the segregation of duties, the disbursing of accountable fees, the handling of petty cash and K-9 funds, the reconciliation of inmate account balances, and the control of bond forms and bond receipts.

The Sheriff's office handles various receipts including fees for serving court documents, gun permit fees, jail board bills, bond monies, inmate funds/commissary revenues, and Drug Awareness and Resistance Education (DARE) fund donations. During the years ended December 31, 2001 and 2000, the Sheriff's office collected receipts totaling at least \$445,000.

- A. The Sheriff has not adequately segregated the duty of reconciling monies received to monies deposited, including the comparison of the composition of receipt slips (i.e. cash, checks, and money orders) to the composition of deposits, from other accounting duties. Although the Sheriff's office manager performs this reconciliation, she is not independent of the receipting, depositing, transaction recording, and disbursing functions.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and depositing monies from that of recording receipt slips and preparing disbursements. If proper segregation of duties cannot be achieved, at a minimum, procedures for adequate independent review should be established.

- B. The Sheriff maintains a bank account which is used to hold monies received each month until receipts are remitted to the County Treasurer. However, the Sheriff sometimes expends these monies for various fund raising activities, training and other miscellaneous activities. During the year ended December 31, 2001 approximately \$5,400 was paid out in this manner.

The monies in this account represent accountable fees which should be turned over to the County Treasurer. Section 50.370, RSMo 2000, requires every county official who receives fees for official services to pay such monies monthly to the county treasury. There is no statutory authority for the Sheriff to expend these monies except as provided for in the official county budget. Disbursements should be authorized by the Sheriff and made through the County Commission's normal disbursement process.

- C. The Sheriff maintains one petty cash fund and two cash investigation funds. Cash received from county funds for the operation of these cash funds totaled approximately \$8,400 during the years ended December 31, 2001 and 2000. Cash associated with these funds is maintained in the Sheriff's safe and must be obtained through the Sheriff, the Sheriff's office manager, or a Captain. The Sheriff's office manager maintains records on the receipts and disbursements of these funds. Our review of these cash funds revealed the following concerns:

- 1) The petty cash fund and the investigation funds are not maintained at set amounts. The Sheriff periodically obtains a check from the county which is cashed and placed in the petty cash fund; however, invoices or purchase receipts are not submitted to the county to support or document the amount being requested to replenish the fund. Monies are obtained from the county and placed in the investigation funds as needed.
- 2) The petty cash fund is used to pay for items which should be purchased through the county's normal disbursement process. We noted that the Sheriff disbursed over \$1,400 from the petty cash fund for food catered during a training session and \$300 was disbursed to an individual for temporary office help. The Sheriff did not retain any documentation to explain what circumstances made it necessary to use the petty cash fund to make these purchases or why it was not possible to follow the county's normal disbursement process.
- 3) The Sheriff's office does not require deputies obtaining money from the petty cash or investigation funds to sign for monies received. In addition, deputies are not required to document the use of monies through summary reports of investigative information or through return receipts for items purchased (as applicable when items are obtained through a retail vendor). We noted several instances where receipts for items purchased were not present in the petty cash fund documentation.
- 4) Although the office manager submits periodic reports of petty cash and investigation fund receipts, disbursements, and balances to the Sheriff and the Captain for review, neither the Sheriff nor the Captain verify that the cash on hand in the funds reconciles to the balances on the reports.

Good internal controls require petty cash to be set at an established amount and to be reimbursed when it has been expended. An imprest basis petty cash fund would improve accountability over petty cash monies. Furthermore, disbursements from the petty cash fund should be made only for items which are emergency in nature and cannot be obtained through the county's normal purchasing and disbursement process. Individuals should sign for monies received and that documentation should be retained and reconciled to records of change returned and purchase invoices submitted (when applicable). Finally, to provide for adequate supervisory review, the Sheriff or Captain should count and reconcile funds on hand to the periodic activity reports of the funds.

- D. The Sheriff's Adult Detention Center inmate commissary bank account balance has not been reconciled to the individual inmate account balances. The Sheriff's department maintains a separate checking account to account for personal monies of

inmates. Monies received for the inmates' use are deposited into this account and are used by inmates to purchase toiletries, snacks, and various other products from a commissary vendor. A computerized Inmate Bank Report is maintained for each inmate which reflects monies received on the inmate's behalf, purchases made by the inmate from the commissary vendor, and the available cash balance. Commissary vendor invoices and the county's portion of the profit from the sales are paid from the Sheriff's Adult Detention Center bank account.

We obtained a listing of individual inmate account balances as of June 30, 2002, and compared this information to the bank account balance at that date. After adjusting for amounts due to the commissary vendor and County Treasurer for commissary purchases and profits, the total of the inmate account balances exceeded the reconciled bank balance by approximately \$3,500. However, the current Sheriff remitted approximately \$4,000 (a portion of the cash balance inherited from the prior Sheriff) to the county from this account at the beginning of his administration. The Sheriff believed the \$4,000 were excess funds although there were no records to substantiate that these monies were in fact "excess".

The Sheriff has identified numerous instances where inmate account balances maintained in the computer system for inmates incarcerated during the prior Sheriff's administration do not agree to receipt and disbursement records or manual records of inmate balances. However, the Sheriff has not determined which records are the most accurate and has not made any adjustments to correct discrepancies in the records.

The Sheriff should continue to research inmate balances for inmates incarcerated during the prior administration and verify the accuracy of inmate balance records. To ensure proper accountability over inmate and commissary monies, and improve the likelihood of identifying and correcting errors in a timely manner, the individual inmate account balances and amounts due to the commissary vendor and County Treasurer should be compared to the reconciled bank balance on a monthly basis. Any discrepancies should be followed up on and resolved.

- E. During our review we noted that bond forms are not prenumbered and a \$500 bond appears to have been received but not deposited. The bond was not discovered to be missing until the court notified the Sheriff's department that a bond had been posted but not remitted to the court. The Sheriff's department researched the missing monies but could not determine where the receipts were located or why they had not been deposited. The Sheriff's office paid the \$500 to the court from other accountable fees which had not yet been remitted to the County Treasurer.

This shortage could have been prevented or detected in a more timely manner if the Sheriff's department had adequate controls to account for the bond forms issued. To ensure all bond monies are properly accounted for and to adequately safeguard cash

receipts, bond forms should be prenumbered, the numerical sequence should be accounted for frequently, and the bond forms issued should be reconciled to monies deposited.

- F. The Sheriff received donations for the maintenance of the county's canine (K-9) patrol officer during the audit period. The Sheriff opened a bank account to account for the donations and, as a result, the monies were not remitted to and could not be accounted for by the County Treasurer as required by law. Receipts and disbursements totaled \$339 and \$86, respectively for the years ended December 31, 2001 and 2000. The expenditures were not approved by the County Commission and this fund was not budgeted or presented in the county's published financial statements.

These monies represent accountable fees which should be turned over to the County Treasurer. The Sheriff has no statutory authority to maintain such an account outside the county treasury. In addition, Attorney General's Opinion No. 45, 1992 to Henderson, states, "...sheriffs of third class counties are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury."

Conditions similar to parts A, B, D, and E. were noted in our Special Review of Sheriff's Office Miller County, Missouri report.

WE RECOMMEND the Sheriff:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible, or ensure periodic supervisory reviews are performed and documented.
- B. Remit all fees collected to the County Treasurer monthly and make all purchases through the county expenditure process.
- C.1. Maintain the petty cash fund and investigation funds on an imprest basis.
 - 2. Ensure the petty cash and investigation funds are used only for supplies and purchases that cannot be obtained through the normal county expenditure process.
 - 3. Require deputies to sign for monies received and reconcile that documentation to documentation of change and purchase receipts returned.
 - 4. Ensure a supervisor reconciles cash on hand to periodic reports of cash balances.
- D. Reconcile the individual prisoner and commissary balances to the total of the monies in the bank account on a monthly basis. In addition, the Sheriff should research and verify the accuracy of inmate balances by reconciling transactions on older inmate records to receipt and disbursement information as well as manual records maintained for each inmate.

- E. Issue prenumbered bond forms for all bond receipts, account for the numerical sequence of bond forms, and reconcile bond forms issued to bond monies deposited.
- F. Turn over custody of the K-9 bank account and all future revenues to the County Treasurer.

AUDITEE'S RESPONSE

The Sheriff provided the following responses:

- A. *As of December 4, 2002, I have implemented an independent reconciliation between the composition of monies received to the composition of monies deposited in order to accomplish an adequate segregation of duties.*
- B. *We are currently remitting all accountable fees to the County Treasurer and all disbursements are submitted to the County Clerk for payment from official county funds.*
- C.1. *As of January 1, 2003, the multi-county investigation fund will be remitted to the lead county and a receipt will be obtained for the monies remitted. We will begin maintaining the petty cash fund and the county's investigation fund on an imprest basis as of January 1, 2003.*
- C.2.-
- C.4. *We are now complying with these recommendations.*
- D. *We have researched inmate balances due to inmates who have been released for at least one year and have remitted the associated balances to the County Treasurer as unclaimed monies. We now reconcile the remaining inmate balances to monies held in trust and unreconciled differences are being further researched.*
- E. *We will obtain prenumbered bond forms as of January 1, 2003, and will implement procedures to ensure the numerical sequence of bond forms is accounted for and cash bonds received are deposited.*
- F. *We will remit these monies to the County Treasurer on December 5, 2002, and future revenues will be deposited to a county fund.*

This report is intended for the information of the management of Miller County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

MILLER COUNTY, MISSOURI FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Miller County, Missouri, on findings in the Management Advisory Report (MAR) of our audit report issued for the three years ended December 31, 1997 and our Special Review of the Miller County Sheriff's Office for the period January 1, 1999 through August 11, 1999 and the year ended December 31, 1998. The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Budgetary Practices

- A. Disbursements exceeded budget amounts in various funds.
- B. Formal budgets were not prepared or obtained for various county funds.
- C. Budgets prepared or obtained by the County Clerk and approved by the County Commission were not accurate. Actual information on the budgets did not agree to the county's financial records, receipts were not always appropriately classified, disbursements made by the County Treasurer were not presented in appropriate expense categories in some funds, and the Senior Citizens Service Fund budget was not included in the county's budget document in 1997.
- D. The annual published financial statements of the county did not include the financial activity of some county funds.

Recommendation:

The County Commission:

- A. Not authorize warrants in excess of budgeted disbursements.
- B. Ensure budgets for all county funds are prepared or obtained.
- C. Ensure budget documents are accurate and complete, receipts are appropriately classified, the Treasurer's disbursements are properly budgeted and reflected on the financial statements, and that all budgets are filed with the State Auditor's office.
- D. Ensure all county funds are included in the published financial statements.

Status:

A&B. Not implemented. See finding number 01-1.

C. Partially implemented. Although the County Clerk included budgets for the Senior Citizens Service Fund in the county's budget and properly classified disbursements made directly by the County Treasurer, we noted that summary total errors and errors in the classification of transactions were still prevalent in the budgets. See finding number 01-1.

D. Not implemented. See MAR finding number 1.

2. County Treasurer's Bank Reconciliations

At December 31, 1997, the Treasurer's bank reconciliation included many corrections for old voided outstanding checks, bank errors, and other reconciling items, and the Treasurer's records understated the county's cash balance by approximately \$12,000.

Recommendation:

The County Treasurer should investigate these corrections and make the appropriate entries in the accounting records. In the future, care should be taken to maintain an accurate fund ledger and reconciling items should not remain unadjusted for extended periods of time.

Status:

Implemented.

3. Property Tax Book Controls and Procedures

A. The County Commission did not have sufficient assurance that changes made to the property tax system data by the County Assessor were proper.

B. The County Clerk did not maintain an account book with the County Collector.

C. The computer program did not generate tax book page or control totals.

Recommendation:

A. The County Commission establish procedures so that the County Assessor does not record abatements or additions into the computerized property tax system or ensure that an independent, subsequent comparison of these changes to tax book change orders is performed.

B. The County Clerk establish and maintain an account book with the County Collector. The County Commission should use the account book to verify the County Collector's annual settlements.

- C. The County Commission authorize programming changes to print future tax books with the appropriate control totals. This should include page totals and a summary page of all page totals.

Status:

- A. Partially implemented. The County Commission approves annual reports of changes in assessments posted by the County Assessor; however, there is no comparison of these changes to the additions and abatements recorded by the County Collector. Although not repeated in the current report, our recommendation remains as stated above.
- B. Partially implemented. The County Clerk established an account book; however, only the monthly collections reported by the County Collector are recorded in the account book. See MAR finding number 4.
- C. Implemented.

4. County Disbursements

- A. The county did not adequately document bid information obtained.
- B. The County Commission distributed road and bridge monies to the three benefit assessment special road districts and one special road subdistrict within Miller County without a written agreement outlining the services to be provided.
- C. Neither the County Treasurer nor the County Clerk maintained a listing of disbursements by check number in numerical sequence.

Recommendation:

The County Commission:

- A. Solicit bids for purchases in accordance with Section 50.660, RSMo. Documentation of bids solicited and justification for bid awards should be retained. If it is not practical to obtain bids in a specific instance, or if sole source procurement is necessary, the circumstances should be thoroughly documented.
- B. Discontinue allocating road and bridge monies to special road districts and subdistricts, unless a written agreement is obtained. This agreement should include a system to monitor road district disbursements of distributions from county monies.
- C. Maintain a listing of disbursements in numerical sequence and document procedures

performed to account for the numerical sequence.

Status:

A. Partially implemented. The County Commission retained documentation of bidding and purchasing decisions for several purchases. However, a purchase made by the Sheriff's department for computer equipment and software was not bid and the County Commission did not adequately document the selection of concrete suppliers for road maintenance projects. Although not repeated in our current report, our recommendation remains as stated above.

B&C. Implemented.

5. Shelter for Victims of Domestic Violence Fund

During the three years ended December 31, 1997, fees totaling \$11,936 were collected and deposited into the Shelter for Victims of Domestic Violence Fund. No monies had been expended from this fund since March 1988. In addition, the county had no plans to distribute these funds to support local shelters which provided services to Miller County residents.

Recommendation:

The County Commission seek out potential users for the Shelter for Victims of Domestic Violence Fund monies.

Status:

Partially implemented. The County Commission distributed over \$40,000 to local shelters during the year ended December 31, 2000, but has not distributed additional monies collected since that time. At December 31, 2001, the fund had a balance of over \$4,500. The Commission should continue to provide domestic violence shelter services to county citizens directly or continue to support local shelters that provide such services to county citizens. Although not repeated in our current report, our recommendation remains as stated above.

6. Federal Financial Assistance

A. The Sheriff's department received funds from the U.S. Department of Justice, Drug Enforcement Administration, for the Domestic Cannabis Eradication/Suppression Program. The Sheriff's department made a lease payment from grant funds and a buyout payment from county funds for camera equipment on the same day. Federal regulations did not allow purchases of equipment with these funds.

B. The Sheriff leased radio equipment in 1995 however, the Sheriff's department did

not maintain a copy of the original invoice or lease agreement.

Recommendation:

The County Commission and the Sheriff consult with the grantor agency to resolve the questioned costs and ensure future compliance with applicable federal regulations. In addition, the Sheriff should:

- A. Ensure all future purchases are allowable under the program restrictions.
- B. Maintain copies of original invoices or lease agreements of equipment acquired through the Missouri Sheriff's Association or other federal programs.

Status:

A&B. Partially implemented. The Sheriff could not locate invoices for all expenditures made during the two years ended December 31, 2001, and there was no evidence that the Sheriff's department consulted with the grantor agency to resolve the prior questioned costs. We reviewed copies of invoices obtained from the grantor agency and it appears that expenditures made during the current audit period were allowable under program restrictions. Although not repeated in our current report, our recommendation remains as stated above.

7. Construction of a New Law Enforcement Facility

The County Commission did not document the procedures or reasons for the selection of the financial advisor, architect, or project administrator for the construction of the new jail.

Recommendation:

The County Commission maintain complete documentation of the procurement and purchasing decisions when awarding contracts for the jail project and other major construction projects.

Status:

Partially implemented. The County Commission properly documented bidding procedures and decisions for the courthouse phase of the construction project. There have been no additional selections of financial advisors, architects, or project administrators because the original agreement for these services included both the jail and courthouse phases of design and construction. Although not repeated in our current audit report, our recommendation remains as stated above.

8. General Fixed Asset Records

- A. The fixed asset records had not been updated since 1995 and the County Clerk did not periodically inventory county assets and compare the results of that inventory to the records. County property was disposed of by county officials or department supervisors in the manner they considered appropriate and, as a result, the County Commission and County Clerk were sometimes not aware of the disposal and did not remove the property item from the general fixed asset records.
- B. The County Clerk did not document that he performed quarterly inspections of county owned land and buildings.

Recommendation:

- A. The County Clerk properly record property additions and deletions in the fixed asset records. In addition, the County Clerk should perform annual inventories of county assets and use the results of those inventories to correct the fixed asset records. Finally, the County Commission should establish a formal method of disposing of general fixed assets. Written authorization for all property dispositions should be obtained.
- B. The County Clerk document quarterly inspections of county-owned land and buildings as required by state law.

Status:

A&B. Not implemented. See MAR finding number 5.

9. Sheriff's Accounting Controls and Procedures

See our audit report on the Special Review of Sheriff's Office, Miller County, Missouri, for the period January 1, 1999 through August 11, 1999 and the year ended December 31, 1998 (report number 2000-06).

10. Prosecuting Attorney's Accounting Controls and Procedures

- A. 1. Receipt slips were not issued for some restitution payments.
- 2. Restitution and bad check fee money orders that were to be deposited in the Prosecutor's trust account or remitted to the County Treasurer for deposit in the county's bank account were not endorsed immediately upon receipt.
- B. An adequate system to account for all bad checks received by the Prosecuting Attorney's office as well as the subsequent disposition of these bad checks had not

been established.

- C. The trust account open-items list included errors, items which are owed to various individuals or the Prosecuting Attorney, and bank service charges which have not been followed up on or corrected in a timely manner.

Recommendation:

The Prosecuting Attorney:

- A. 1. Issue prenumbered receipt slips for all monies received and account for their numerical sequence. In addition, the method of payment indicated on each receipt slip should be reconciled to the composition of the monies deposited, transmitted to merchants, remitted to the County Treasurer, or remitted to the DOR.
- 2. Restrictively endorse money orders and checks for deposit or turnover to the County Treasurer immediately upon receipt.
- B. Implement procedures to adequately account for bad checks received, as well as the ultimate disposition through the use of sequential numbers assigned to each bad check complaint form or bad check received and a log to account for the numerical sequence and disposition of each bad check.
- C. Review the trust account's open items list and resolve any old open items, mistakes, errors, and reimbursable items in a timely manner. Reimbursement for office expenses should be requested from the County Commission and deposited to the trust account.

Status:

A-C. Not implemented. See MAR finding number 7.

11. W-12 Neighborhood Improvement District Project

It was not clear that the county's method of assessing project costs to property owners within the Neighborhood Improvement District (NID) boundaries was authorized by law. In addition, it was not clear that the special assessment revenues would ultimately be sufficient to retire the general obligation, special assessment bonds issued for this project.

Although the County Commission indicated it had consulted the special bond counsel and had been assured the assessment method was allowed by statute and the projected revenues would be sufficient to retire the project's debt, a written legal opinion or documentation of revenue projections had not been obtained to support the Commission's positions.

Recommendation:

The County Commission obtain a written legal opinion supporting the method of assessing project costs and document special assessment revenue projections to provide support that projected revenues will be sufficient to meet debt retirement requirements.

Status:

Not implemented. The County Commission indicated that they had requested but not received a written opinion from the special bond counsel. Although not repeated in our current report, our recommendation remains as stated above.

**SPECIAL REVIEW OF
MILLER COUNTY SHERIFF'S OFFICE
FOR THE PERIOD JANUARY 1, 1999 THROUGH AUGUST 11, 1999
AND THE YEAR ENDED DECEMBER 31, 1998**

1. Sheriff's Sale

On May 16, 1998, the Sheriff held a sale of surplus and unclaimed property. A complete listing of all items to be sold was not prepared and retained. In addition, a complete listing of all monies received was not maintained. Monies received from the sale were not deposited intact. Expenses related to the sale totaling \$678 and flowers for employees totaling \$35 were paid from the proceeds of the sale. The Sheriff received \$50 for working at the sale; however, state law does not allow for this additional compensation to the Sheriff. Total deposits of sale proceeds as of July 7, 1998, were \$225 less than receipts. The Sheriff did not require his father to pay gun permit fees for the six gun permits issued to him at the time of the sale.

Recommendation:

The Sheriff maintain complete listings of items offered for sale and monies received for any future sales. In addition, a report of each sale should be prepared and all sale proceeds deposited and/or paid to the County Treasurer in a timely manner, and gun permit fees need to be collected for all applicable gun permits.

Status:

There have been no sales of surplus or unclaimed property during the two years ended December 31, 2001. Proceeds from several trustee sales have been remitted to the appropriate party and gun permit fees were collected for applicable gun permits issued. Although not repeated in our current report, our recommendation remains as stated above.

2. Accounting Controls and Procedures

- A. Accounting duties were not adequately segregated and there were no independent reviews of the work performed.
- B. 1. Receipt slips were not issued for some monies received and redi-form receipt slips were issued for some monies rather than official, pre-numbered receipt slips. In addition, the numerical sequence of receipt slips was not accounted for properly.
 - 2. Receipts were not deposited in a timely manner.

Two bonds totaling \$1,530 were received but not deposited and were discovered to be missing when the court notified the Sheriff's office that the bond had not been remitted to them. In addition, a \$50 bond was received but not deposited; however, the shortage was not detected and corrected by the Sheriff.
- C. Cash control ledgers or other listings of receipts and disbursements were not complete and periodic book balances were not maintained for the various accounts. In addition, formal bank reconciliations were not prepared for any of the accounts.
- D. Monthly listings of open items (liabilities) were not prepared for the Inmate, Fine and Cost, and Bond and Garnishment Accounts.
 - 1. The total of the monies held for individual inmates exceeded the balance in the Inmate Account by \$148, and the Inmate Account open items listing included some balances that are being held for inmates who have been released.
 - 2. The open items listing for the Fine and Cost Account exceeded the cash balance by \$3,081 and included partial payments on cases dating back to 1991.
 - 3. The cash balance in the Bond and Garnishment Account exceeded the identified open items by \$837.
- E. 1. The Sheriff maintained custody of a Training and Equipment Account and a Petty Cash Fund bank account outside the County Treasurer.
 - 2. Bank interest totaling approximately \$1,300 had accumulated in the various bank accounts as of July 31, 1999.
- F. Adequate supporting documentation was not retained for some cash refunds made to inmates who were incarcerated only for short periods of time.
- G.1. The Sheriff's office had not maintained perpetual inventory records of commissary items.

2. The Sheriff maintained custody of the revenues generated through the sale of commissary items. Invoices to replenish the commissary inventory were paid from sales revenues.

Recommendation:

The Sheriff:

- A. Adequately segregate duties or establish procedures for independent review.
- B.1. Issue official, prenumbered receipt slips for all monies received and reconcile them to bank deposits, including composition. In addition, the numerical sequence of the receipt slips should be accounted for properly.
 2. Deposit receipts daily or when accumulated receipts exceed \$100. In addition, the Sheriff should obtain reimbursement of the \$50 bond.
- C. Maintain complete and accurate cash control records and perform monthly bank reconciliations for the various accounts.
- D. Prepare and reconcile open items listings to cash balances monthly and investigate any differences.

In addition, we recommend the Sheriff:

1. Ensure reimbursement is obtained for the \$148 shortage in the Inmate Account. The Sheriff should attempt to refund balances to inmates which have been released and any monies remaining unclaimed should be disposed of in accordance with state law.
2. Along with the Associate Judge, review the older cases and determine the appropriate disposition of monies being held on inactive cases in the Fine and Cost Account.
3. Dispose of any unidentified monies remaining in the Bond Account.
- E. Turn over custody of the Training and Equipment Account and the Petty Cash Fund bank account and all future revenues to the County Treasurer. In addition, accumulated interest and all future interest should be turned over.
- F. Obtain adequate supporting documentation for any refunds not made by check.
- G.1. Maintain perpetual inventory records for commissary items and reconcile inventory records to periodic physical inventory counts. Any discrepancies should be investigated in a timely manner.

2. Turn over commissary proceeds to the County Treasurer, periodically. In addition, invoices to replenish the commissary inventory should be paid by the county.

Status:

- A. Partially implemented. The Sheriff's department has segregated accounting functions for the bank accounts by requiring two signatures on all checks and procuring the services of the County Treasurer for the performance of the monthly bank reconciliations. However, although the office manager reconciles the receipt slips issued and monies deposited, she is not independent of other related accounting duties and an adequate supervisory review is not performed. See MAR finding number 8.
- B.1,
C&F. Implemented
- B.2. Partially implemented. Deposits appear to be made in a timely manner for the Sheriff's receipts except for gun permits which are deposited approximately once a week. Although not repeated in our current report, our recommendation remains as stated above.
- D. Not implemented. The current Sheriff no longer maintains the Fine and Cost or Bond and Garnishment bank accounts; however, monthly listings of open items are not prepared for the Inmate bank account. See MAR finding number 8.
 1. Not implemented. See MAR finding number 8.
 2. The current Sheriff no longer maintains the Fine and Cost account. The Associate Court resumed the duties of collecting and monitoring fine and cost payments during the year ended December 31, 1999.
 3. The former bond account was closed during the transition to the current Sheriff. The current Sheriff no longer maintains a separate bond account and there are no unidentified bond monies in the current Sheriff's bank accounts and records.
- E. The Training and Equipment and the Petty Cash Fund bank accounts were closed during the transition to the current Sheriff.
- G. 1. The current Sheriff no longer maintains commissary inventory. The commissary goods are provided to inmates through individual orders placed by inmates with a commissary vendor who operates the commissary from an external location.

2. Implemented. The current Sheriff now remits commissary profits to the County Treasurer after each commissary sale is conducted by the vendor. However, as stated above, the sheriff no longer purchases or maintains commissary inventory because an outside vendor operates the commissary from an external location. As a result, there are no invoices for commissary supplies which are paid by either the Sheriff or the County.

STATISTICAL SECTION

History, Organization, and
Statistical Information

MILLER COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1837, the county of Miller was named after John Miller, Governor of Missouri. Miller County is a county-organized, third-class county and is part of the 26th Judicial Circuit. The county seat is Tuscumbia, Missouri.

Miller County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Miller County received its money in 2001 and 2000 to support the county General Revenue and Special Road and Bridge - Road District #1 Funds:

SOURCE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 400,340	12	403,769	12
Sales taxes	1,159,384	34	1,068,082	31
Federal and state aid	1,065,992	31	1,082,802	32
Fees, interest, and other	805,031	23	863,132	25
Total	\$ 3,430,747	100	3,417,785	100

The following chart shows how Miller County spent monies in 2001 and 2000 from the General Revenue and Special Road and Bridge - Road District #1 Funds:

USE	2001		2000	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 1,185,025	36	1,561,172	46
Public safety	757,880	23	671,955	19
Highways and roads	1,319,315	41	1,185,746	35
Total	\$ 3,262,220	100	3,418,873	100

During 2001 and 2000, the Capital Improvement Tax Fund had sales tax, intergovernmental revenue, charges for services, interest, and other receipts totaling \$1,676,562 and \$1,737,973 respectively. During 2001 and 2000, the Capital Improvement Tax Fund expended \$1,777,192 and \$1,651,619 respectively, for the operation of the jail.

The county maintains approximately 65 county bridges and 708 miles of county roads.

The county's population was 15,026 in 1970 and 23,564 in 2000. The following chart shows the county's change in assessed valuation since 1970:

		Year Ended December 31,				
		2001	2000	1985*	1980**	1970**
		(in millions)				
Real estate	\$	179.0	171.3	85.1	26.6	17.7
Personal property		54.3	48.6	19.7	9.8	5.4
Railroad and utilities		43.6	39.9	40.7	30.7	14.7
Total	\$	276.9	259.8	145.5	67.1	37.8

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Miller County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,	
		2001	2000
General Revenue Fund	\$.0320	.0430
Special Road and Bridge -Road			
District #1 Fund *		.2217	.2217
Health Center Fund		.1500	.1500
Senior Citizens Services Fund		.0500	.0500
Miller County Board for Services for the		.0819	.0819
Developmentally Disabled Fund			

* The county retains all tax proceeds from areas not within road districts. The county has three road districts and one special road sub-district that receive four-fifths of the tax collections from property within these districts, and the Special Road and Bridge - Road District #1 Fund retains one-fifth. The road districts also have an additional levy approved by the voters.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments.

Taxes collected were distributed as follows:

		Year Ended February 28 (29),	
		2002	2001
State of Missouri	\$	79,287	75,395
General Revenue Fund		98,490	116,043
Road funds		559,641	547,866
Assessment Fund		117,706	111,480
Health Center Fund		383,020	342,090
Miller County Board for Services for the Developmentally Disabled Fund		214,077	203,080
School districts		7,664,421	7,296,807
Library district		333,275	362,207
Ambulance district		247,764	235,678
Fire protection districts		879,315	611,518
Fire protection districts - 2001 collections		71,759	0
Nursing Home District Fund		294,380	279,305
Nursing Home Bond Fund		94,389	91,213
Senior Citizens Service Fund		130,810	124,350
Surtax		109,341	113,659
Cities		20,216	20,786
County Clerk		477	364
County Employees' Retirement		70,903	65,010
Tri County Lodging Association		180,144	171,415
Tax Increment Financing Fund		267,319	274,505
Commissions and fees:			
General Revenue Fund		193,508	181,959
Total	\$	<u>12,010,242</u>	<u>11,224,730</u>

Percentages of current taxes collected were as follows:

		Year Ended February 28 (29),	
		2002	2001
Real estate	88 %		90 %
Personal property	90		89
Railroad and utilities	97		99
Tax Increment Financing - Payments in Lieu of Taxes	75		72

Miller County also has the following sales taxes; rates are per \$1 of retail sales:

		Rate	Expiration Date	Required Property Tax Reduction
General	\$.0050	None	50
Capital improvements		.0050	10/1/16	None

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2002	2001	2000
County-Paid Officials:			
Dan Gier, Presiding Commissioner	\$	29,390	29,390
John Klindt, Associate Commissioner		27,390	
Bernard Evers, Associate Commissioner			27,390
David Whittle, Associate Commissioner		27,390	27,390
Clayton Jenkins, County Clerk		41,500	41,500
Robert Seek, Prosecuting Attorney		51,000	51,000
William Abbott, Sheriff		46,000	27,708
Tom Russell, Sheriff			2,549
Paul Plank, Sheriff			7,062
Danny Slone, County Treasurer		30,710	30,710
Rick Callahan, County Coroner		14,000	
Douglas Griswold, County Coroner			7,000
Janet Whittle, Public Administrator (1)		25,000	
Donna Urfer, Public Administrator (2)			14,781
Roger Bond, County Collector, year ended February 28 (29),	41,500	41,500	
Donald Jarrett, County Assessor (3), year ended August 31,		42,400	42,400
Gerard Harms Sr., County Surveyor (4)			

- (1) Effective January 1, 2001, the public administrator elected to receive a salary in lieu of compensation received from probate case fees.
- (2) Includes fees received from probate cases.
- (3) Includes \$900 annual compensation received from the state.
- (4) Compensation on a fee basis.

State-Paid Officials:

Linda Duncan, Circuit Clerk and Ex Officio Recorder of Deeds	47,300	46,127
Kenneth Oswald, Associate Circuit Judge	96,000	97,382

A breakdown of employees (excluding the elected officials) by office at December 31, 2001, is as follows:

Office	Number of Employees Paid by	
	County	State
County Commission	1	0
Circuit Clerk and Ex Officio Recorder of Deeds	3 (1)	0
County Clerk	4	0
Prosecuting Attorney	7 (2)	0
Sheriff	20	0
County Treasurer	1 (2)	0
County Coroner	0	0
Public Administrator	0	0
County Collector	2	0
County Assessor	7	0
County Surveyor	2 (3)	0
Associate/Probate Division	1 (1)	4
Road and Bridge	24	0
Health Center	13 (4)	0
E 911	23 (5)	0
Jail	29 (2)	0
Total	<u>137</u>	<u>4</u>

- (1) One employee is paid part time by state and part time by county.
- (2) One employee is part time.
- (3) Two employees are part time.
- (4) Four employees are part time.
- (5) Seven employees are part time.

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Miller County's share of the 26th Judicial Circuit's expenses is 18.52 percent.

The county has established two neighborhood improvement districts. General obligation bonds which were issued to finance the projects had remaining principal and interest due at December 31, 2001 of \$370,000 and \$234,900, respectively. Although these are general obligation bonds of the county, special assessments will be levied on the property located in the districts to pay the debt principal and interest.

The county entered into an amended lease purchase agreement with Central Trust Bank on August 1, 2001. The terms of the agreement call for the county to lease the new justice center to Central Trust Bank, then the bank leases the justice center back to the county with lease payments equal to the amount due to retire the indebtedness. Certificates of Participation totaling \$9,215,000 were issued by Central Trust Bank on behalf of the county and the proceeds of those certificates were used to construct a new justice center and to refund the outstanding Series 1996 Certificates of Participation which were issued to construct a new jail. The lease is scheduled to be paid off in 2016. The remaining principal and interest due on the lease at December 31, 2001, was \$9,215,000 and \$3,541,486. A one-half cent capital improvement sales tax was extended by the voters to provide funding for these obligations.

At December 31, 2001, the county had bonds payable of \$175,000 consisting of special revenue bonds dated December 19, 1991, to finance the cost of improvements associated with the county tax increment financing district. Bond principal is due annually on April 1 and carries no stated interest rate. Payments in lieu of tax are collected by the county to fund the bond payments and other costs associated with the tax increment financing district.